



S.S. Afemikhe & Co, (Chartered Accountants)

Nigeria Extractive Industries Transparency Initiative (NEITI)

2006-2008 EITI RECONCILIATION

APPENDICES VOLUME 1

3rd February 2011

Presented to the National Stakeholder Working Group

by
Hart Nurse Ltd, Chartered Accountants
in association with
S.S. Afemikhe & Co, (Chartered Accountants)

The report and all appendices relating to the report are intended for the use of the National Stakeholder Working Group of the NEITI for the purpose of that initiative and are not to be relied upon by other parties.

APPENDICES CONTENTS

	Volume
A. Financial Flows - Disaggregated Summary	1
B. Sale of Government Crude (Export & Domestic)	1
C. Petroleum Profits Tax	2
D. Royalty	2
E. Signature Bonus	3
F. Withholding taxes to Federation	4
G. Company Income Tax	4
H. Contribution to NDDC \$	4
I. Contribution to NDDC Naira	4
J. Non Confirmed Flows (PAYE, VAT, withholding taxes, education tax)	4
K. Non-financial flows	4
L. Gas income shared with the Federation	4
M. Cash Calls	5
N. Charts of financial flows	6
O. Audited accounts	6
P. Representation letters	6
Q. Terms of Reference	6
R. Companies included	6
S. Methodology	6

APPENDIX A

FINANCIAL FLOWS – DISAGGREGATED SUMMARY

2006								
Petroleum Profit Tax	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	0	0	0	0	0	0	0	0
AMNI	0	0	0	0	0	0	0	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	22	22	0	327	327	349	349	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	150	-150	100	-50	100	100	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	1,143,850	1,355,949	-212,099	212,098	0	1,355,948	1,355,949	-1
CONOCO PHILLIPS	244,987	234,839	10,148	-187	9,961	244,800	244,800	0
CONOIL	54,057	68,553	-14,496	-21,002	-35,498	33,055	33,055	0
CONTINENTAL	10,356	56,759	-46,403	34,286	-12,117	44,642	44,642	0
DUBRI	0	0	0	0	0	0	0	0
Express	0	0	0	0	0	0	0	0
MOBIL	3,915,407	3,682,848	232,559	-26,680	205,879	3,888,727	3,888,727	0
MONIPULO	2,065	2,442	-377	357	-20	2,422	2,422	0
NAE	0	0	0	0	0	0	0	0
NAOC	706,084	762,902	-56,818	62,618	5,800	768,702	768,702	0
NDPR	988	0	988	0	988	988	988	0
NewCross	0	0	0	0	0	0	0	0
NPDC	307,265	280,582	26,683	-29,987	-3,304	277,278	277,278	0
PAN OCEAN	10,708	4,056	6,652	0	6,652	10,708	10,708	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	0	0	0	0	0	0	0	0
SPDC	2,014,008	1,227,317	786,691	1	786,692	2,014,009	2,014,009	0
TEPNG	1,985,370	1,751,789	233,581	-510	233,071	1,984,860	1,984,860	0
TUSKAR	0	0	0	0	0	0	0	0
Total	10,395,167	9,428,208	966,959	231,421	1,198,381	10,626,588	10,626,589	-1

2007								
Petroleum Profit Tax	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt US \$ 000	Company US \$ 000	Difference US \$ 000	Govt US \$ 000	Company US \$ 000	Govt US \$ 000	Company US \$ 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	0	0	0	0	0	0	0	0
AMNI	0	0	0	0	0	0	0	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	0	0	0	0	0	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	561	-561	561	0	561	561	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	1,279,952	1,279,952	0	0	0	1,279,952	1,279,952	0
CONOCO PHILLIPS	218,000	250,000	-32,000	54,539	22,539	272,539	272,539	0
CONOIL	0	9,091	-9,091	0	-9,091	0	0	0
CONTINENTAL	0	2,892	-2,892	1,521	-1,371	1,521	1,521	0
DUBRI	0	0	0	0	0	0	0	0
Express	0	0	0	0	0	0	0	0
MOBIL	3,250,575	3,461,003	-210,428	5,099	-205,329	3,255,674	3,255,674	0
MONIPULO	62,231	64,176	-1,945	1,924	-21	64,155	64,155	0
NAE	0	0	0	0	0	0	0	0
NAOC	311,980	351,558	-39,578	39,578	0	351,558	351,558	0
NDPR	757	663	94	-1	93	756	756	0
NewCross	0	0	0	0	0	0	0	0
NPDC	609,258	494,624	114,634	-114,691	-57	494,567	494,567	0
PAN OCEAN	0	0	0	0	0	0	0	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	0	0	0	0	0	0	0	0
SPDC	740,108	1,082,777	-342,669	0	-342,669	740,108	740,108	0
TEPNG	1,522,455	1,622,758	-100,303	100,303	0	1,622,758	1,622,758	0
TUSKAR	0	0	0	0	0	0	0	0
Total	7,995,316	8,620,055	-624,739	88,833	-535,906	8,084,149	8,084,149	0

2008									
Petroleum Profit Tax	Initial templates			Adjustments		Adjusted figures		Unresolved Difference	US \$ 000
	Co Ref	Govt	Company	Difference	Govt	Company	Govt	Company	
		US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL		0	0	0	0	0	0	0	0
AENR		0	0	0	0	0	0	0	0
AMNI		0	0	0	0	0	0	0	0
APENL		0	0	0	0	0	0	0	0
ATLAS & SUMMIT		447	447	0	0	0	447	447	0
BRASS		0	0	0	0	0	0	0	0
CAMAC		0	66	-66	66	0	66	66	0
CAVENDISH		0	0	0	0	0	0	0	0
CHEVRON		1,838,869	1,838,870	-1	0	-1	1,838,869	1,838,869	0
CONOCO PHILLIPS		273,000	272,960	40	0	40	273,000	273,000	0
CONOIL		19,164	33,535	-14,371	-5,911	-20,282	13,253	13,253	0
CONTINENTAL		0	0	0	7,207	7,207	7,207	7,207	0
DUBRI		0	0	0	0	0	0	0	0
Express		0	0	0	0	0	0	0	0
MOBIL		3,009,909	2,890,675	119,234	567,919	687,153	3,577,828	3,577,828	0
MONIPULO		98,815	139,797	-40,982	40,982	0	139,797	139,797	0
NAE		0	0	0	0	0	0	0	0
NAOC		523,039	641,938	-118,899	118,899	0	641,938	641,938	0
NDPR		231	33	198	0	198	231	231	0
NewCross		0	0	0	0	0	0	0	0
NPDC		771,679	332,374	439,305	-439,305	0	332,374	332,374	0
PAN OCEAN		32,162	52,925	-20,763	18,501	-2,262	50,663	50,663	0
PLATFORM		1,658	1,994	-336	-2	-338	1,656	1,656	0
SNEPCO		0	0	0	0	0	0	0	0
SPDC		1,662,762	1,221,429	441,333	0	441,333	1,662,762	1,662,762	0
TEPNG		1,232,165	2,417,163	-1,184,998	1,184,998	0	2,417,163	2,417,163	0
TUSKAR		0	0	0	0	0	0	0	0
Total		9,463,900	9,844,206	-380,306	1,493,354	1,113,048	10,957,254	10,957,254	0

2006									
Royalty (total)	Initial templates				Adjustments		Adjusted figures		Unresolved Difference
	Co Ref	Govt	Company	Difference	Govt	Company	Govt	Company	
		US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL		0	0	0	0	0	0	0	0
AENR		0	0	0	0	0	0	0	0
AMNI		18,032	18,032	0	0	0	18,032	18,032	0
APENL		0	0	0	0	0	0	0	0
ATLAS & SUMMIT		1,297	1,124	173	-1,297	-1,124	0	0	0
BRASS		0	0	0	0	0	0	0	0
CAMAC		0	0	0	0	0	0	0	0
CAVENDISH		0	0	0	0	0	0	0	0
CHEVRON		712,916	712,918	-2	0	-2	712,916	712,916	0
CONOCO PHILLIPS		150,053	132,728	17,325	-25,707	-8,382	124,346	124,346	0
CONOIL		141,283	17,000	124,283	-130,310	-6,027	10,973	10,973	0
CONTINENTAL		0	0	0	184,175	184,175	184,175	184,175	0
DUBRI		1,341	151	1,190	88	1,278	1,429	1,429	0
Express		2,973	8,930	-5,957	0	-5,957	2,973	2,973	0
MOBIL		1,311,795	1,380,884	-69,089	68,089	-1,000	1,379,884	1,379,884	0
MONIPULO		52,795	62,904	-10,109	10,109	0	62,904	62,904	0
NAE		0	0	0	0	0	0	0	0
NAOC		288,167	289,674	-1,507	1,507	0	289,674	289,674	0
NDPR		727	1,180	-453	86	-367	813	813	0
NewCross		0	0	0	0	0	0	0	0
NPDC		254,228	327,807	-73,579	57,639	-15,940	311,867	311,867	0
PAN OCEAN		21,445	3,949	17,496	-13,813	3,683	7,632	7,632	0
PLATFORM		0	0	0	0	0	0	0	0
SNEPCO		0	0	0	0	0	0	0	0
SPDC		772,934	648,885	124,049	-209,591	-85,542	563,343	563,343	0
TEPNG		669,624	743,987	-74,363	74,533	170	744,157	744,157	0
TUSKAR		0	0	0	0	0	0	0	0
Total		4,399,610	4,350,153	49,457	15,508	64,965	4,415,118	4,415,118	0

2007								
Royalty (total)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference US \$ 000
	Govt	Company	Difference	Govt	Company	Govt	Company	
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	0	0	0	0	0	0	0	0
AMNI	5,581	5,591	-10	0	-10	5,581	5,581	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	5,793	13,829	-8,036	-4,939	-12,975	854	854	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	788,259	788,258	1	0	1	788,259	788,259	0
CONOCO PHILLIPS	78,327	126,984	-48,657	4,952	-43,705	83,279	83,279	0
CONOIL	891	894	-3	0	-3	891	891	0
CONTINENTAL	0	0	0	14,546	14,546	14,546	14,546	0
DUBRI	182	0	182	-182	0	0	0	0
Express	472	2,615	-2,143	0	-2,143	472	472	0
MOBIL	1,221,684	1,304,605	-82,921	82,921	0	1,304,605	1,304,605	0
MONIPULO	43,869	1,022,233	-978,364	0	-978,364	43,869	43,869	0
NAE	0	0	0	0	0	0	0	0
NAOC	222,794	222,522	272	0	272	222,794	222,794	0
NDPR	309	673	-364	323	127	632	632	0
NewCross	0	0	0	0	0	0	0	0
NPDC	0	86,162	-86,162	0	-86,162	0	0	0
PAN OCEAN	160,573	0	160,573	-160,412	161	161	161	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	0	0	0	0	0	0	0	0
SPDC	605,549	675,444	-69,895	0	-69,895	605,549	605,549	0
TEPNG	810,631	810,664	-33	33	0	810,664	810,664	0
TUSKAR	0	0	0	0	0	0	0	0
Total	3,944,914	5,060,474	-1,115,560	-62,758	-1,178,150	3,882,156	3,882,156	0

2008								
Royalty (total)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	0	0	0	0	0	0	0	0
AMNI	1,402	4,905	-3,503	3	-3,500	1,405	1,405	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	0	9,242	-9,242	0	-9,242	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	1,088,096	1,088,098	-2	0	-2	1,088,096	1,088,096	0
CONOCO PHILLIPS	188,198	185,260	2,938	17,874	20,812	206,072	206,072	0
CONOIL	4,792	4,804	-12	0	-12	4,792	4,792	0
CONTINENTAL	0	0	0	0	0	0	0	0
DUBRI	649	186	463	-649	-186	0	0	0
Express	0	0	0	0	0	0	0	0
MOBIL	1,296,388	1,421,725	-125,337	125,337	0	1,421,725	1,421,725	0
MONIPULO	44,113	79,207	-35,094	34,695	-399	78,808	78,808	0
NAE	0	0	0	0	0	0	0	0
NAOC	259,316	300,978	-41,662	41,662	0	300,978	300,978	0
NDPR	2,655	2,655	0	0	0	2,655	2,655	0
NewCross	0	0	0	0	0	0	0	0
NPDC	225,771	176,025	49,746	56,552	106,298	282,323	282,323	0
PAN OCEAN	59,803	59,929	-126	-12	-138	59,791	59,791	0
PLATFORM	1,538	2,451	-913	0	-913	1,538	1,538	0
SNEPCO	0	0	0	0	0	0	0	0
SPDC	905,106	794,002	111,104	1	111,105	905,107	905,107	0
TEPNG	1,130,029	1,088,364	41,665	-41,665	0	1,088,364	1,088,364	0
TUSKAR	0	0	0	0	0	0	0	0
Total	5,207,856	5,217,831	-9,975	233,798	223,823	5,441,654	5,441,654	0

2006								
Contribution to NDDC (US\$)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL	4,500	4,500	0	0	0	4,500	4,500	0
AENR	573	573	0	0	0	573	573	0
AMNI	0	0	0	0	0	0	0	0
APENL	4,500	4,500	0	0	0	4,500	4,500	0
ATLAS & SUMMIT	0	0	0	0	0	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	21,876	18,791	3,084	-3,085	0	18,791	18,791	0
CONOCO PHILLIPS	0	0	0	0	0	0	0	0
CONOIL	0	0	0	0	0	0	0	0
CONTINENTAL	0	0	0	0	0	0	0	0
DUBRI	0	0	0	0	0	0	0	0
Express	0	0	0	0	0	0	0	0
MOBIL	22,127	23,067	-940	0	0	22,127	23,067	-940
MONIPULO	0	0	0	0	0	0	0	0
NAE	2,375	1,619	756	-756	0	1,619	1,619	0
NAOC	9,726	9,894	-168	0	-168	9,726	9,726	0
NDPR	0	0	0	0	0	0	0	0
NewCross	0	0	0	0	0	0	0	0
NPDC	0	0	0	0	0	0	0	0
PAN OCEAN	1,000	1,000	0	0	0	1,000	1,000	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	0	21,022	-21,022	30,345	9,323	30,345	30,345	0
SPDC	75,545	53,752	21,793	-30,345	-8,552	45,200	45,200	0
TEPNG	22,675	22,675	0	0	0	22,675	22,675	0
TUSKAR	0	0	0	0	0	0	0	0
Total	164,897	161,393	3,503	-3,841	603	161,056	161,996	-940

2007								
Contribution to NDDC (US\$)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL	30,000	30,000	0	0	0	30,000	30,000	0
AENR	5,932	3,833	2,099	-2,099	0	3,833	3,833	0
AMNI	1,500	1,500	0	0	0	1,500	1,500	0
APENL	8,000	8,000	0	0	0	8,000	8,000	0
ATLAS & SUMMIT	0	0	0	0	0	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	24,724	24,724	0	0	0	24,724	24,724	0
CONOCO PHILLIPS	0	0	0	0	0	0	0	0
CONOIL	0	0	0	0	0	0	0	0
CONTINENTAL	0	0	0	0	0	0	0	0
DUBRI	0	0	0	0	0	0	0	0
Express	0	0	0	0	0	0	0	0
MOBIL	25,294	25,294	0	0	0	25,294	25,294	0
MONIPULO	0	0	0	0	0	0	0	0
NAE	6,089	10,429	-4,340	0	-4,340	6,089	6,089	0
NAOC	12,889	12,889	0	0	0	12,889	12,889	0
NDPR	0	0	0	0	0	0	0	0
NewCross	0	0	0	0	0	0	0	0
NPDC	0	0	0	0	0	0	0	0
PAN OCEAN	0	0	0	0	0	0	0	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	15,937	31,874	-15,937	10,511	-5,426	26,448	26,448	0
SPDC	27,678	38,251	-10,573	0	-10,573	27,678	27,678	0
TEPNG	20,411	9,900	10,511	-10,511	0	9,900	9,900	0
TUSKAR	0	0	0	0	0	0	0	0
Total	178,454	196,694	-18,240	-2,099	-20,339	176,355	176,355	0

2008								
Contribution to NDDC (US\$)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL	16,000	16,000	0	0	0	16,000	16,000	0
AENR	0	0	0	0	0	0	0	0
AMNI	0	0	0	0	0	0	0	0
APENL	13,000	13,000	0	0	0	13,000	13,000	0
ATLAS & SUMMIT	0	0	0	0	0	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	20,108	20,108	0	0	0	20,108	20,108	0
CONOCO PHILLIPS	0	0	0	0	0	0	0	0
CONOIL	0	0	0	0	0	0	0	0
CONTINENTAL	0	0	0	0	0	0	0	0
DUBRI	0	0	0	0	0	0	0	0
Express	0	0	0	0	0	0	0	0
MOBIL	16,891	16,891	0	0	0	16,891	16,891	0
MONIPULO	0	0	0	0	0	0	0	0
NAE	12,697	6,066	6,631	0	6,631	12,697	12,697	0
NAOC	1,878	1,878	0	0	0	1,878	1,878	0
NDPR	0	0	0	0	0	0	0	0
NewCross	0	0	0	0	0	0	0	0
NPDC	0	0	0	0	0	0	0	0
PAN OCEAN	1,683	1,683	0	0	0	1,683	1,683	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	37,373	26,973	10,400	5,537	15,937	42,910	42,910	0
SPDC	52,809	38,702	14,107	-5,536	8,571	47,273	47,273	0
TEPNG	15,071	18,311	-3,240	0	-3,240	15,071	15,071	0
TUSKAR	0	0	0	0	0	0	0	0
Total	187,510	159,612	27,898	1	27,899	187,511	187,511	0

2006								
Contribution to NDDC (Naira 000)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	N 000	N 000	N 000	N 000	N 000	N 000	N 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	118,568	27,444	91,124	0	91,124	118,568	118,568	0
AMNI	0	0	0	0	0	0	0	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	0	0	0	0	0	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	1,295,111	1,293,986	1,126	-1,125	0	1,293,986	1,293,986	0
CONOCO PHILLIPS	0	0	0	0	0	0	0	0
CONOIL	0	0	0	0	0	0	0	0
CONTINENTAL	0	0	0	0	0	0	0	0
DUBRI	11,626	0	11,626	0	11,626	11,626	11,626	0
Express	0	0	0	0	0	0	0	0
MOBIL	2,072,274	2,082,515	-10,241	0	0	2,072,274	2,082,515	-10,241
MONIPULO	0	0	0	0	0	0	0	0
NAE	0	3,748	-3,748	0	-3,748	0	0	0
NAOC	1,215,672	1,068,648	147,024	0	147,024	1,215,672	1,215,672	0
NDPR	0	0	0	0	0	0	0	0
NewCross	0	0	0	0	0	0	0	0
NPDC	0	0	0	0	0	0	0	0
PAN OCEAN	286,435	0	286,435	-286,435	0	0	0	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	0	874,205	-874,205	437,102	-437,103	437,102	437,102	0
SPDC	4,797,712	6,015,016	-1,217,304	-218,551	-1,435,855	4,579,161	4,579,161	0
TEPNG	1,726,824	1,521,489	205,335	-205,335	0	1,521,489	1,521,489	0
TUSKAR	0	0	0	0	0	0	0	0
Total	11,524,222	12,887,051	-1,362,828	-274,344	-1,626,932	11,249,878	11,260,119	-10,241

SPDC2006

TEPNG2006

2007								
Contribution to NDDC (Naira 000)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	N 000	N 000	N 000	N 000	N 000	N 000	N 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	90,372	90,372	0	0	0	90,372	90,372	0
AMNI	0	0	0	0	0	0	0	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	0	0	0	0	0	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	1,497,167	1,607,030	-109,863	109,863	0	1,607,030	1,607,030	0
CONOCO PHILLIPS	0	0	0	0	0	0	0	0
CONOIL	0	2,000	-2,000	0	-2,000	0	0	0
CONTINENTAL	0	0	0	0	0	0	0	0
DUBRI	0	0	0	0	0	0	0	0
Express	0	0	0	0	0	0	0	0
MOBIL	2,976,013	2,976,013	0	0	0	2,976,013	2,976,013	0
MONIPULO	0	0	0	0	0	0	0	0
NAE	56,300	210,402	-154,102	0	-154,102	56,300	56,300	0
NAOC	1,541,652	1,541,652	0	0	0	1,541,652	1,541,652	0
NDPR	0	0	0	0	0	0	0	0
NewCross	0	0	0	0	0	0	0	0
NPDC	48,473	0	48,473	0	48,473	48,473	48,473	0
PAN OCEAN	0	0	0	0	0	0	0	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	1,066,057	2,132,114	-1,066,057	437,103	-628,954	1,503,160	1,503,160	0
SPDC	6,171,701	5,117,157	1,054,544	-1,434,864	-380,321	4,736,837	4,736,836	1
TEPNG	1,099,011	1,161,894	-62,883	0	-62,883	1,099,011	1,099,011	0
TUSKAR	0	0	0	0	0	0	0	0
Total	14,546,746	14,838,634	-291,888	-887,898	-1,179,787	13,658,848	13,658,847	1

2008								
Contribution to NDDC (Naira 000)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	N 000	N 000	N 000	N 000	N 000	N 000	N 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	386,184	386,184	0	0	0	386,184	386,184	0
AMNI	0	0	0	0	0	0	0	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	0	0	0	0	0	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	2,205,260	1,816,863	388,397	-388,397	0	1,816,863	1,816,863	0
CONOCO PHILLIPS	0	0	0	0	0	0	0	0
CONOIL	0	1,000	-1,000	0	-1,000	0	0	0
CONTINENTAL	0	0	0	0	0	0	0	0
DUBRI	0	0	0	0	0	0	0	0
Express	0	0	0	0	0	0	0	0
MOBIL	3,832,905	4,024,555	-191,650	0	0	3,832,905	4,024,555	-191,650
MONIPULO	0	0	0	0	0	0	0	0
NAE	879,157	725,055	154,102	0	154,102	879,157	879,157	0
NAOC	1,469,530	1,469,530	0	0	0	1,469,530	1,469,530	0
NDPR	0	0	0	0	0	0	0	0
NewCross	0	0	0	0	0	0	0	0
NPDC	1,206,987	0	1,206,987	0	1,206,987	1,206,987	1,206,987	0
PAN OCEAN	196,911	144,832	52,079	-52,079	0	144,832	144,832	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	1,702,826	1,273,707	429,119	636,938	1,066,057	2,339,764	2,339,764	0
SPDC	5,459,520	4,980,805	478,715	-636,938	-158,223	4,822,582	4,822,582	0
TEPNG	953,167	890,364	62,803	0	62,803	953,167	953,167	0
TUSKAR	0	0	0	0	0	0	0	0
Total	18,292,447	15,712,895	2,579,552	-440,476	2,330,726	17,851,971	18,043,621	-191,650

2006								
Royalty (gas)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference US \$ 000
	Govt	Company	Difference	Govt	Company	Govt	Company	
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	0	0	0	0	0	0	0	0
AMNI	0	0	0	0	0	0	0	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	0	0	0	0	0	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	0	0	0	0	0	0	0	0
CONOCO PHILLIPS	0	0	0	0	0	0	0	0
CONOIL	0	0	0	0	0	0	0	0
CONTINENTAL	0	0	0	0	0	0	0	0
DUBRI	0	0	0	0	0	0	0	0
Express	0	0	0	0	0	0	0	0
MOBIL	0	0	0	0	0	0	0	0
MONIPULO	0	0	0	0	0	0	0	0
NAE	0	0	0	0	0	0	0	0
NAOC	0	0	0	0	0	0	0	0
NDPR	0	0	0	0	0	0	0	0
NewCross	0	0	0	0	0	0	0	0
NPDC	0	0	0	0	0	0	0	0
PAN OCEAN	0	0	0	0	0	0	0	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	0	0	0	0	0	0	0	0
SPDC	8,001	8,567	-566	1	-565	8,002	8,002	0
TEPNG	4,888	4,812	76	94	170	4,982	4,982	0
TUSKAR	0	0	0	0	0	0	0	0
Total	12,889	13,379	-490	95	-395	12,984	12,984	0

2007								
Royalty (gas)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	0	0	0	0	0	0	0	0
AMNI	0	0	0	0	0	0	0	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	0	0	0	0	0	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	0	0	0	0	0	0	0	0
CONOCO PHILLIPS	0	0	0	0	0	0	0	0
CONOIL	0	0	0	0	0	0	0	0
CONTINENTAL	0	0	0	0	0	0	0	0
DUBRI	0	0	0	0	0	0	0	0
Express	0	0	0	0	0	0	0	0
MOBIL	0	0	0	0	0	0	0	0
MONIPULO	0	0	0	0	0	0	0	0
NAE	0	0	0	0	0	0	0	0
NAOC	0	0	0	0	0	0	0	0
NDPR	0	0	0	0	0	0	0	0
NewCross	0	0	0	0	0	0	0	0
NPDC	0	0	0	0	0	0	0	0
PAN OCEAN	0	0	0	0	0	0	0	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	0	0	0	0	0	0	0	0
SPDC	16,645	18,236	-1,591	0	-1,591	16,645	16,645	0
TEPNG	9,215	9,067	148	-148	0	9,067	9,067	0
TUSKAR	0	0	0	0	0	0	0	0
Total	25,860	27,303	-1,443	-148	-1,591	25,712	25,712	0

2008								
Royalty (gas)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	0	0	0	0	0	0	0	0
AMNI	0	0	0	0	0	0	0	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	0	0	0	0	0	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	0	0	0	0	0	0	0	0
CONOCO PHILLIPS	0	0	0	0	0	0	0	0
CONOIL	0	0	0	0	0	0	0	0
CONTINENTAL	0	0	0	0	0	0	0	0
DUBRI	0	0	0	0	0	0	0	0
Express	0	0	0	0	0	0	0	0
MOBIL	0	0	0	0	0	0	0	0
MONIPULO	0	0	0	0	0	0	0	0
NAE	0	0	0	0	0	0	0	0
NAOC	0	0	0	0	0	0	0	0
NDPR	0	0	0	0	0	0	0	0
NewCross	0	0	0	0	0	0	0	0
NPDC	0	0	0	0	0	0	0	0
PAN OCEAN	0	0	0	0	0	0	0	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	0	0	0	0	0	0	0	0
SPDC	16,355	14,972	1,383	1	1,384	16,356	16,356	0
TEPNG	15,154	14,547	607	-607	0	14,547	14,547	0
TUSKAR	0	0	0	0	0	0	0	0
Total	31,509	29,519	1,990	-606	1,384	30,903	30,903	0

2006								
Royalty (oil)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	0	0	0	0	0	0	0	0
AMNI	18,032	18,032	0	0	0	18,032	18,032	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	1,297	1,124	173	-1,297	-1,124	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	712,916	712,918	-2	0	-2	712,916	712,916	0
CONOCO PHILLIPS	150,053	132,728	17,325	-25,707	-8,382	124,346	124,346	0
CONOIL	141,283	17,000	124,283	-130,310	-6,027	10,973	10,973	0
CONTINENTAL	0	0	0	184,175	184,175	184,175	184,175	0
DUBRI	1,341	151	1,190	88	1,278	1,429	1,429	0
Express	2,973	8,930	-5,957	0	-5,957	2,973	2,973	0
MOBIL	1,311,795	1,380,884	-69,089	68,089	-1,000	1,379,884	1,379,884	0
MONIPULO	52,795	62,904	-10,109	10,109	0	62,904	62,904	0
NAE	0	0	0	0	0	0	0	0
NAOC	288,167	289,674	-1,507	1,507	0	289,674	289,674	0
NDPR	727	1,180	-453	86	-367	813	813	0
NewCross	0	0	0	0	0	0	0	0
NPDC	254,228	327,807	-73,579	57,639	-15,940	311,867	311,867	0
PAN OCEAN	21,445	3,949	17,496	-13,813	3,683	7,632	7,632	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	0	0	0	0	0	0	0	0
SPDC	764,933	640,318	124,615	-209,592	-84,977	555,341	555,341	0
TEPNG	664,736	739,175	-74,439	74,439	0	739,175	739,175	0
TUSKAR	0	0	0	0	0	0	0	0
Total	4,386,721	4,336,774	49,947	15,413	65,360	4,402,134	4,402,134	0

2007								
Royalty (oil)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	0	0	0	0	0	0	0	0
AMNI	5,581	5,591	-10	0	-10	5,581	5,581	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	5,793	13,829	-8,036	-4,939	-12,975	854	854	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	788,259	788,258	1	0	1	788,259	788,259	0
CONOCO PHILLIPS	78,327	126,984	-48,657	4,952	-43,705	83,279	83,279	0
CONOIL	891	894	-3	0	-3	891	891	0
CONTINENTAL	0	0	0	0	0	0	0	0
DUBRI	182	0	182	-182	0	0	0	0
Express	472	2,615	-2,143	0	-2,143	472	472	0
MOBIL	1,221,684	1,304,605	-82,921	82,921	0	1,304,605	1,304,605	0
MONIPULO	43,869	1,022,233	-978,364	0	-978,364	43,869	43,869	0
NAE	0	0	0	0	0	0	0	0
NAOC	222,794	222,522	272	0	272	222,794	222,794	0
NDPR	309	673	-364	323	127	632	800	-168
NewCross	0	0	0	0	0	0	0	0
NPDC	0	86,162	-86,162	0	-86,162	0	0	0
PAN OCEAN	160,573	0	160,573	-160,412	161	161	161	0
PLATFORM	0	0	0	0	0	0	0	0
SNEPCO	0	0	0	0	0	0	0	0
SPDC	588,904	657,208	-68,304	0	-68,304	588,904	588,904	0
TEPNG	801,416	801,597	-181	181	0	801,597	801,597	0
TUSKAR	0	0	0	0	0	0	0	0
Total	3,919,054	5,033,171	-1,114,117	-77,156	-1,191,105	3,841,898	3,842,066	-168

2008								
Royalty (oil)	Initial templates			Adjustments		Adjusted figures		Unresolved Difference
	Govt	Company	Difference	Govt	Company	Govt	Company	
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	
ADDAX- APDNL	0	0	0	0	0	0	0	0
AENR	0	0	0	0	0	0	0	0
AMNI	1,402	4,905	-3,503	3	-3,500	1,405	1,405	0
APENL	0	0	0	0	0	0	0	0
ATLAS & SUMMIT	0	9,242	-9,242	0	-9,242	0	0	0
BRASS	0	0	0	0	0	0	0	0
CAMAC	0	0	0	0	0	0	0	0
CAVENDISH	0	0	0	0	0	0	0	0
CHEVRON	1,088,096	1,088,098	-2	0	-2	1,088,096	1,088,096	0
CONOCO PHILLIPS	188,198	185,260	2,938	17,874	20,812	206,072	206,072	0
CONOIL	4,792	4,804	-12	0	-12	4,792	4,792	0
CONTINENTAL	0	0	0	0	0	0	0	0
DUBRI	649	186	463	-649	-186	0	0	0
Express	0	0	0	0	0	0	0	0
MOBIL	1,296,388	1,421,725	-125,337	125,337	0	1,421,725	1,421,725	0
MONIPULO	44,113	79,207	-35,094	34,695	-399	78,808	78,808	0
NAE	0	0	0	0	0	0	0	0
NAOC	259,316	300,978	-41,662	41,662	0	300,978	300,978	0
NDPR	2,655	2,655	0	0	0	2,655	2,655	0
NewCross	0	0	0	0	0	0	0	0
NPDC	225,771	176,025	49,746	56,552	106,298	282,323	282,323	0
PAN OCEAN	59,803	59,929	-126	-12	-138	59,791	59,791	0
PLATFORM	1,538	2,451	-913	0	-913	1,538	1,538	0
SNEPCO	0	0	0	0	0	0	0	0
SPDC	888,751	779,030	109,721	0	109,721	888,751	888,751	0
TEPNG	1,114,875	1,073,817	41,058	-41,058	0	1,073,817	1,073,817	0
TUSKAR	0	0	0	0	0	0	0	0
Total	5,176,347	5,188,312	-11,965	234,404	222,439	5,410,751	5,410,751	0

SIGNATURE BONUS

Disaggregated tables of signature bonus payments and receipts are set out in Appendix E.

APPENDIX B

SALE OF GOVERNMENT CRUDE (EXPORT AND DOMESTIC)

1.0 REVIEW OF EQUITY CRUDE SALES

1.1 INTRODUCTION

The primary objective of our review of crude oil and gas revenue is to substantiate the amount earned by the Federation from the sales of crude oil and gas in each of the three years ended 31 December 2006, 2007 and 2008 as well as the amount remitted to the Federation Account by NNPC for the period.

Government Equity Crude is crude oil attributable to the Federation from stake in Upstream Joint Venture operations, Payments in kind of Royalty, Petroleum Profit Tax (PPT) and Profit arising from Production Sharing Contracts (PSC).

Equity Crude oil is divided into two parts:

- Crude that is sold internationally (Export Crude)
- Crude that is allocated for domestic use (Domestic Crude)

Other income shared together with crude oil from the JV includes gas income, ullage fees and junk sales proceeds.

Export Crude is marketed on behalf of the Federation by NNPC Crude Oil Marketing Division (COMD) and Domestic Crude is sold to NNPC to be refined at the refineries for domestic consumption.

The Government annual equity crude volumes for the three years, 2006, 2007 and 2008, under review are set out below:

Table 1
Summary of Equity Crude Volumes

Quarter	2006 Bbl	2007 Bbl	2008 Bbl
1 st	100,991,246	83,813,063	94,060,251
2 nd	89,005,960	81,590,812	76,801,949
3 rd	94,373,400	96,340,280	79,507,531
4 th	100,587,513	98,029,150	80,903,462
Total	384,958,119	359,773,305	331,273,193

Source: Equity and Domestic Crude Oil Sales & Lifting Profiles
See Appendix A for monthly analysis.

The values of the financial flows arising from the sale of the above volumes are set out as follows:

Table 2
Funds Receivable from Equity Crude Sales

Quarter	2006 US\$	2007 US\$	2008 US\$
1 st	6,244,136,503	4,919,286,951	9,267,767,286
2 nd	6,232,558,336	5,731,357,146	9,636,773,023
3 rd	6,614,723,609	7,316,185,294	9,075,745,695
4 th	5,920,349,363	8,886,529,774	4,335,282,847
Total	25,011,767,812	26,853,359,165	32,315,568,852

Source: Equity and Domestic Crude Oil Sales & Lifting Profiles
See Appendix A for monthly analysis.

In addition to Crude Oil revenue, funds are received from Joint Venture Partners from the sale of Gas and Feed Stock. The tables below show the funds receivable from them.

Table 3a			
Funds Receivable from Sale of Gas			
Quarter	2006 US\$	2007 US\$	2008 US\$
1 st	75,466,531	44,318,798	111,832,592
2 nd	102,566,166	64,110,107	147,664,835
3 rd	96,009,783	85,159,033	158,529,320
4 th	60,541,617	143,200,224	60,736,752
Total	334,584,097	336,788,162	478,763,500

Source: Export Crude Sales Profile
See Tables 8 a-c for monthly analysis.

Table 3b			
Funds Receivable from Sale of Feedstock			
Quarter	2006	2007	2008
	US\$	US\$	US\$
1st	86,647,198	114,997,252	177,478,891
2nd	94,040,910	132,818,433	201,230,648
3rd	106,033,958	140,954,838	221,128,167
4th	105,037,487	151,096,229	152,918,051
Total	391,759,553	539,866,752	752,755,758

Source: Export Crude Sales Profile
See Tables 8 a-c for monthly analysis.

The proceeds from the sale of Equity Crude, Gas and Feedstock are received into CBN/NNPC JP Morgan Crude Oil and Gas Revenue Account. From this account, NNPC transfers money to JV cash call Account and the balance swept to the Federation Account.

2.0 WORK DONE

In this report, we have separated Export Crude financial flows from that of Domestic Crude. This is because Equity Crude transactions are carried out in US Dollars while Domestic Crude transactions are carried out mostly in Naira.

2.1 EXPORT CRUDE

The objectives of the validation work on export crude were to confirm that all equity crude (other than domestic crude) was:

- Sold to accredited customers by NNPC COMD
- Correctly invoiced
- Fully paid
- Swept into the Federation Account:

The audit review on Crude Oil sales was carried out in two steps:

- compliance tests on the system; and
- validation of export and domestic crude volumes and values

2.1.1 Compliance Tests

The system of marketing equity crude was reviewed and documented. No change was recorded in the system.

The validation of Equity Crude sales proceeds commenced with compliance test on the documented system.

Our objective of the test was to carry out the following:

- A walk through test on three invoices for each month for the three years under review.
- Compliance test on 8 invoices for each of the year covered both for equity crude and domestic crude.
- Review of the sales ledger.
- Vouching to bank statements of all sales receipts from crude oil for the period under review.
- Vouching of all receipts and payment into the bank statement.

To enable us carry out the compliance test, we requested for the following documents:-

- Crude Oil Lifting Profile for the three years under review for Export Crude (including Gas and Feedstock) and Domestic Crude.
- CBN/NNPC JP Morgan Crude Oil and Gas Revenue (Dollar) Account Statement for January to December each year.
- CBN/NNPC JP Morgan Crude Oil and Gas Revenue (Naira) Account Statement for January to December each year.
- Selected invoices together with Bill of Lading, Letters of Credit and other relevant documents accompanying the invoices.

From the lifting schedules obtained, we randomly selected three invoices for each of the twelve months 2006, 2007 and 2008 to carry out a walk through test for both equity and domestic crude.

We also randomly selected eight invoices for each of the twelve months to carry out a compliance test on Equity Crude (including Gas and Feed Stock)

The specific compliance test carried out on the samples selected were to confirm

- that crude oil shipment was invoiced
- that pricing formulae was correctly applied
- that crude customer is on approved list
- vessel nomination verified and agreed
- invoice traced and agreed to sales ledger
- payment traced and agreed to the CBN/NNPC Crude Oil and Gas Revenue (Dollar) Bank Statement for Export Crude (including Gas and Feed Stock)
- Payment traced and agreed to the CBN/NNPC Crude Oil and Gas Revenue (Naira) Bank Statement for Domestic Crude
- Payments to Federation Account are traced to CBN Federation Account component statement.
- invoice settlement dates reasonable
- variance between invoice value and payment are reasonable

We also vouched the bank statements to the profiles on a hundred percent basis and carried out casting analysis of some months to ensure arithmetical accuracy. We noted matters which require further clarification for necessary follow-up actions

Crude oil exports are based on irrevocable Letters of Credit and payment is within 30days from the bill of lading date for all customers.

2.1.2 Validation of Export Crude Figures

The objective of the validation work on export crude is to confirm that all equity crude including Gas and Feed Stock (other than domestic crude) was sold to accredited customers by NNPC COMD, correctly invoiced and proceeds were fully paid for and proceeds swept into the Federation account.

In order to achieve the above objectives, the following documents were requested for and used

- Crude Oil and Gas Sales Lifting Profile and actual revenue paid into the CBN NNPC account with JP Morgan Chase Bank.
- CBN/NNPC Crude Oil and Gas Revenue Account Statement for the three years under review.
- CBN /NNPC JP Morgan Cash Call Account Statement for the three years under review.
- CBN/NNPC Domestic Crude Oil Account Statement for.....
- NNPC mandates for sweeping of Export Crude proceeds to Federation Account.
- Federation Account Component Statement obtained from CBN.
- Federation account Statement for the three years under review.

The work carried out included the following:

- Checked templates to lifting profiles to ensure that the templates were correctly populated.
- Checked all lifting schedules to confirm that the volumes, pricing values, contract holders, and letters of credit were correct.
- Checked actual value received for export crude to JP Morgan CBN/NNPC Oil and Gas Revenue Account. This was to ensure that the payment for export crude sales were actually received in the JP Morgan CBN/NNPC Oil and Gas Revenue Account.
- Reconciled JP Morgan Oil and Gas Revenue Account to ensure that all receipts and payment have been correctly analyzed and validated.
- Matched Joint Venture Cash Call payment with values transferred to the CBN/NNPC JP Morgan Cash Call Account.
- Matched Domestic Crude Payment to JP Morgan CBN/ NNPC Domestic Crude Account
- Prepared month by month Debtors Account balance from validated lifting and payments.
- Prepared Monthly Debtors Control Account and reconciled the monthly debtors balance to list of individual Debtor Account balances.
- Verified debtors' outstanding balances as at 31st December for each year.

2.1.3 Problems Encountered and Outstanding Issues

In the course of the review, we encountered the following problems.

- i. Export receipts in some instances were not properly described in the CBN/NNPC JP Morgan Revenue (Dollar) Bank Statement. Consequently, it was difficult to tie a particular receipt to a particular invoice.
We therefore relied on NNPC COMD internally generated statement and information that took time to reconcile.
- ii. We are still having difficulties reconciling export crude (including gas and feed stock) debtors figures based on our workings to NNPC Debtors Ledger (Crude Oil and Gas Customer Data Analysis). We relied on Crude Oil and Gas lifting profiles, invoice numbers, L/C numbers, value dates, Bill of Lading dates and NNPC COMD summary of Export Crude and Gas sales report to trace payment to the CBN/NNPC JP Morgan Crude Oil and Gas Revenue (Dollar) Account from which payments are swept to the Federation Account in accordance with NNPC mandate. We are still expecting the age analysis of the export Crude debtors at year end from NNPC
- iii. The crude volumes (Export and Domestic) have not been compared to and reconciled with the physical audit volumetric.

2.1.4 Export Crude Revenue Receivable

The validated and reconciled Federation Export Crude, including Gas and Feed Stock shipped in the three years under review are set out in the following tables along with their invoice values.

Table 4a							
Export Crude Sales Volume and Value (Sales Receivable) for 2006							
Quarter	Export Crude Sales		Gas Sales		Feed Stock Sales		Total Sales Value
	Volume	Value	Volume	Value	Volume	Value	
	bbls	US\$	MT	US\$	MMBTU	US\$	US\$
1st	65,118,549	4,052,208,332	150,588	75,466,531	106,707,882	86,647,198	4,214,322,061
2nd	50,034,421	3,543,400,027	205,145	102,566,166	114,220,238	94,040,910	3,740,007,103
3rd	56,432,779	3,933,298,355	193,544	96,009,783	128,324,971	106,033,958	4,135,342,096
4th	58,304,417	3,453,890,926	132,602	60,541,617	128,277,247	105,037,487	3,619,470,030
Total	229,890,166	14,982,797,640	681,879	334,584,097	477,530,338	391,759,553	15,709,141,290

Source: Export Crude Sales Profile.

Table 4b							
Export Crude Sales Volume and Value (Sales Receivable) for 2007							
Quarter	Export Crude Sales		Gas Sales		Feed Stock Sales		Total Sales Value
	Volume	Value	Volume	Value	Volume	Value	
	bbls	US\$	MT	US\$	MMBTU	US\$	US\$
1st	47,353,096	2,774,444,236	98,234	44,318,798	142,197,521	114,997,252	2,933,760,286
2nd	44,582,269	3,159,667,520	116,003	64,110,107	157,038,763	132,818,433	3,356,596,060
3rd	53,018,501	4,049,204,212	140,320	85,159,033	163,223,382	140,954,838	4,275,318,083
4th	57,507,547	5,245,715,082	188,594	143,200,224	156,386,588	151,096,229	5,540,011,536
Total	202,461,413	15,229,031,050	543,151	336,788,162	618,846,253	539,866,752	16,105,685,964

Source: Export Crude Sales Profile.

Table 4c Export Crude Sales Volume and Value (Sales Receivable) for 2008							
Quarter	Export Crude Sales		Gas Sales		Feed Stock Sales		Total Sales Value
	Volume	Value	Volume	Value	Volume	Value	
	bbls	US\$	MT	US\$	MMBTU	US\$	US\$
1st	48,803,785	4,843,743,466	147,926	111,832,592	161,414,036	177,478,891	5,133,054,950
2nd	41,170,775	5,269,667,870	166,879	147,664,835	164,617,933	201,230,648	5,618,563,353
3rd	37,403,290	4,403,861,916	192,811	158,529,320	166,144,997	221,128,167	4,783,519,404
4th	39,171,747	2,199,191,951	175,774	60,736,752	140,937,810	152,918,051	2,412,846,755
Total	166,549,597	16,716,465,204	683,390	478,763,500	633,114,777	752,755,758	17,947,984,461

Source: Export Crude Sales Profile.
See Tables 8a – c for monthly analysis.

The volumes were obtained from Lifting Profiles and checked to Bill of Lading.
We are yet to reconcile the volumes in the above tables with the volumes from the physical audit team.

Sales terms for Federation crude are mainly on 30days confirmed irrevocable Letter of Credit.

2.1.5 Payments Received by CBN and Swept to the Federation Account

The amount received from export crude sales into the CBN/NNPC JP Morgan Oil and Gas Account together with other receipts including Bank Interest, Ullage Fees and share of Junk Sales Proceeds are swept into the Federation Account after the transfers to JP Morgan CBN/NNPC Cash Call Account each month. These transfers and sweepings are carried out by CBN on receiving instructions/mandates from NNPC. These receipts, transfers and sweepings for the years under review are as summarized below:

Table 5a Dollar Payments Received by CBN and Swept to Federation Account 2006								
Quarter	Receipts	Gas Sales/ Feedstock	Sub-Total	Other Income	Total	Distribution Federation Account	Cash Call Account	Total
	Export Crude US\$							
		US\$	US\$	US\$	US\$	US\$	US\$	US\$
1st	4,611,405,204	147,360,036	4,758,765,240	59,173,814	4,817,939,054	4,037,818,251	1,016,000,000	5,053,818,251
2nd	3,741,931,056	151,540,875	3,893,471,931	215,626,129	4,109,098,059	2,799,543,621	1,053,000,000	3,852,543,621
3rd	3,801,383,845	183,375,265	3,984,759,110	253,226,266	4,237,985,376	3,381,890,213	1,053,000,000	4,434,890,213
4th	3,487,858,400	242,466,784	3,730,325,183	196,477,172	3,926,802,355	2,817,374,542	1,053,000,000	3,870,374,542
Total	15,642,578,504	724,742,960	16,367,321,464	724,503,380	17,091,824,844	13,036,626,627	4,175,000,000	17,211,626,627

Source: Oil and Gas Revenue (Dollar) Receipts and Transfers Account.

Table 5b Dollar Payments Received by CBN and Swept to Federation Account 2007								
Quarter	Receipts Export Crude US\$	Gas Sales/ Feedstock US\$	Sub-Total US\$	Other Income US\$	Total US\$	Distribution Federation Account US\$	Cash Call Account US\$	Total US\$
1st	3,085,752,638	169,913,125	3,255,665,762	60,020,645	3,315,686,407	2,405,140,007	1,076,000,000	3,481,140,007
2nd	2,712,196,893	174,558,006	2,886,754,899	27,529,097	2,914,283,996	1,799,842,172	1,125,000,000	2,924,842,172
3rd	3,785,362,715	207,440,235	3,992,802,950	53,843,763	4,046,646,713	3,125,486,137	1,125,000,000	4,250,486,137
4th	5,263,321,289	235,096,282	5,498,417,571	97,552,617	5,595,970,188	3,724,016,946	1,125,000,000	4,849,016,946
Total	14,846,633,535	787,007,647	15,633,641,182	238,946,123	15,872,587,305	11,054,485,261	4,451,000,000	15,505,485,261

Source: Oil and Gas Revenue (Dollar) Receipts and Transfers Account.

Table 5c Dollar Payments Received by CBN and Swept to Federation Account 2008								
Quarter	Receipts Export Crude US\$	Gas Sales/ Feedstock US\$	Sub-Total US\$	Other Income US\$	Total US\$	Distribution Federation Account US\$	Cash Call Account US\$	Total US\$
1st	4,712,921,808	318,182,242	5,031,104,050	30,159,947	5,061,263,997	3,657,914,653	1,150,000,000	4,807,914,653
2nd	4,814,716,863	246,087,543	5,060,804,405	5,583,489	5,066,387,895	3,467,018,985	1,315,000,000	4,782,018,985
3rd	5,441,000,815	403,465,872	5,844,466,687	43,746,321	5,888,213,008	4,932,010,361	1,245,000,000	6,177,010,361
4th	2,707,555,268	256,435,241	2,963,990,509	13,684,364	2,977,674,873	2,633,782,901	1,245,000,000	3,878,782,901
Total	17,676,194,754	1,224,170,898	18,900,365,652	93,174,121	18,993,539,773	14,690,726,900	4,955,000,000	19,645,726,900

Source: Oil and Gas Revenue (Dollar) Receipts and Transfers Account.

See Appendix B for monthly analysis.

2.1.6 Reconciliation of CBN/NNPC JP Morgan Oil and Gas Revenue Account

We carried out an extensive month by month summary movement on the NNPC/CBN JP Morgan Oil and Gas Revenue Account for the three years under review. Balances at the end of each month were reconciled with the monthly balances in the CBN statements.

This exercise was carried out in order to ensure that all payment for Export Crude and Other proceeds received from the respective customers into the JP Morgan Oil and Gas Revenue Account were correctly transferred and swept into cash call bank account and federation account respectively. The yearly control account balances at the end of each year for the three years under review are set out below:

Table 6a
CBN/NNPC JP Morgan Crude Oil and Gas Revenue (Dollar) Control Account as at 31st
December 2006

	US\$ '000	US\$ '000
Balance as at 1st January 2006		1,427,825,942
Add Lodgments:		
Export Crude Proceeds	15,642,578,504	
Gas/Feedstock Proceeds	724,742,960	
Other Miscellaneous Lodgements	<u>724,503,380</u>	<u>17,091,824,844</u>
		18,519,650,786
Less Payment:		
Transfer to Federation Account	(13,036,626,627)	
Transfer to JV Cash Call Account	(4,175,000,000)	<u>(17,211,626,627)</u>
Balance as at 31st December, 2006		<u>1,308,024,159</u>
Balance as per CBN Statement as at 31/12/06		<u>1,308,024,159</u>

Table 6b
CBN/NNPC JP Morgan Crude Oil and Gas Revenue (Dollar) Control Account as at 31st December 2007

	US\$ '000	US\$ '000
Balance as at 1st January 2007		1,308,024,159
Add Lodgements:		
Export Crude Proceeds	14,846,633,535	
Gas/Feedstock Proceeds	787,007,647	
Other Miscellaneous Lodgements	<u>238,946,123</u>	<u>15,872,587,305</u>
		17,180,611,464
Less Payment:		
Transfer to Federation Account	(11,054,485,261)	
Transfer to JV Cash Call Account	<u>(4,451,000,000)</u>	<u>(15,505,485,261)</u>
Balance as at 31st December, 2007		<u>1,675,126,203</u>
Balance as per CBN Statement as at 31/12/07		<u>1,675,126,203</u>

Table 6c
CBN/NNPC JP Morgan Crude Oil and Gas Revenue (Dollar) Control Account as at 31st December 2008

	US\$ '000	US\$ '000
Balance as at 1st January 2008		1,675,126,203
Add Lodgements:		
Export Crude Proceeds	17,676,194,754	
Gas/Feedstock Proceeds	1,224,170,898	
Other Miscellaneous Lodgements	<u>93,174,121</u>	<u>18,993,539,773</u>
		20,668,665,976
Less Payment:		
Transfer to Federation Account	(14,690,726,900)	
Transfer to JV Cash Call Account	<u>(4,955,000,000)</u>	<u>(19,645,726,900)</u>
Balance as at 31st December, 2008		<u>1,022,939,076</u>
Balance as per CBN Statement as at 31/12/08		<u>1,022,939,076</u>

See Appendix B for Monthly analysis of Receipts and Payments.

2.1.7 Export Crude Oil and Gas Debtors

We also carried out an extensive month by month summary movement on the export crude oil and gas sales to customers and receipts from them, thereby deriving monthly indebtedness of customers at the end of each month for the three years under review.

We carried out this exercise in order to ensure that all Export Crude sold were accounted for as either been paid for or owed and other proceeds received from the respective customers were lodged into the JP Morgan Oil and Gas Revenue Account.

The yearly control account balances at the end of each year for the three years under review are set out below.

Table 7a
Export Crude (Oil and Gas) Sales Debtors Control Account
as at 31st December, 2006

	US\$	US\$
Balance as at 1st January, 2006		1,868,371,720
Add Sales for the year:		
Crude Lifting, Gas Sales and Feed Stock	15,709,141,290	
Less:		
Credit Notes	<u>(7,588,789)</u>	<u>15,701,552,501</u>
		17,569,924,221
Less:		
Receipt into JP Morgan oil and		
Gas revenue account		<u>(16,367,321,464)</u>
Balance at 31st December, 2006		<u>1,202,602,757</u>

Table 7b
Export Crude (Oil and Gas) Sales Debtors Control Account
as at 31st December, 2007

	US\$	US\$
Balance as at 1st January, 2007		1,202,602,757
Add Sales for the year:		
Crude Lifting, Gas Sales and Feed Stock	16,105,685,964	
Less:		
Credit Notes	<u>(2,077,115)</u>	<u>16,103,608,849</u>
		17,306,211,606
Less:		
Receipt into JP Morgan oil and		
Gas revenue account		<u>(15,633,641,182)</u>
Balance at 31st December, 2007		<u>1,672,570,424</u>

Table 7c
Export Crude (Oil and Gas) Sales Debtors Control Account
as at 31st December, 2008

	US\$	US\$
Balance as at 1st January, 2008		1,672,570,424
Add Sales for the year:		
Crude Lifting, Gas Sales and Feed Stock	17,947,984,461	
Less:		
Credit Notes	<u>(703,358)</u>	<u>17,947,281,103</u>
		19,619,851,527
Less:		
Receipt into JP Morgan oil and		
Gas revenue account		<u>(18,900,365,652)</u>
Balance at 31st December, 2008		<u>719,485,875</u>

2.1.8 Export Crude Sales Volume and Value (Sales Receivable)

The Export Crude Sales (including Gas and Feed Stock) volume and value for the years under review is set out below:

Table 8a							
Export Crude Sales Volume and Value (Sales Receivable) for 2006							
Month	Export Crude Sales		Gas Sales		Feed Stock Sales		Total Sales Value
	Volume	Value	Volume	Value	Volume	Value	
	bbls	US\$	MT	US\$	MMBTU	US\$	US\$
January	28,024,471	1,778,933,137	62,444	34,431,768	35,726,608	30,433,313	1,843,798,218
February	17,034,609	1,026,373,601	88,143	41,034,762	33,091,883	26,134,089	1,093,542,453
March	20,059,469	1,246,901,594	-	-	37,889,390	30,079,796	1,276,981,390
1st Quarter	65,118,549	4,052,208,332	150,588	75,466,531	106,707,882	86,647,198	4,214,322,061
April	18,100,622	1,309,191,588	72,244	34,700,107	39,131,248	31,336,437	1,375,228,132
May	18,015,686	1,262,553,385	62,459	29,845,573	39,069,839	31,606,875	1,324,005,834
June	13,918,113	971,655,053	70,442	38,020,486	36,019,151	31,097,598	1,040,773,137
2nd Quarter	50,034,421	3,543,400,027	205,145	102,566,166	114,220,238	94,040,910	3,740,007,103
July	22,125,950	1,643,686,783	62,344	33,190,506	43,872,161	33,962,066	1,710,839,356
August	18,527,592	1,290,704,101	70,443	36,853,793	44,205,557	37,188,439	1,364,746,332
September	15,779,237	998,907,471	60,758	25,965,484	40,247,253	34,883,452	1,059,756,407
3rd Quarter	56,432,779	3,933,298,355	193,544	96,009,783	128,324,971	106,033,958	4,135,342,096
October	23,031,529	1,346,721,919	-	-	41,604,139	32,383,563	1,379,105,482
November	18,690,158	1,127,394,726	86,808	39,048,878	42,459,819	37,022,255	1,203,465,859
December	16,582,730	979,774,281	45,794	21,492,739	44,213,289	35,631,669	1,036,898,689
4th Quarter	58,304,417	3,453,890,926	132,602	60,541,617	128,277,247	105,037,487	3,619,470,030
Total	229,890,166	14,982,797,640	681,879	334,584,097	477,530,338	391,759,553	15,709,141,290

Source: Export Crude Sales Profile.

Table 8b							
Export Crude Sales Volume and Value (Sales Receivable) for 2007							
Month	Export Crude Sales		Gas Sales		Feed Stock Sales		Total Sales Value
	Volume	Value	Volume	Value	Volume	Value	
	bbls	US\$	MT	US\$	MMBTU	US\$	US\$
January	17,282,793	941,889,872	69,647	31,157,116	47,803,752	36,397,690	1,009,444,678
February	17,195,418	1,006,006,500	17,913	7,773,383	45,671,968	38,094,956	1,051,874,840
March	12,874,884	826,547,863	10,674	5,388,299	48,721,801	40,504,605	872,440,767
1st Quarter	47,353,096	2,774,444,236	98,234	44,318,798	142,197,521	114,997,252	2,933,760,286
April	13,147,210	901,943,063	71,920	40,353,217	50,186,762	43,564,285	985,860,565
May	15,510,166	1,068,400,421	-	-	53,151,091	44,683,224	1,113,083,645
June	15,924,893	1,189,324,037	44,083	23,756,890	53,700,910	44,570,924	1,257,651,850
2nd Quarter	44,582,269	3,159,667,520	116,003	64,110,107	157,038,763	132,818,433	3,356,596,060
July	21,327,912	1,620,819,365	70,241	41,348,035	54,748,884	48,413,587	1,710,580,988
August	13,454,511	962,626,928	43,829	26,008,247	55,906,436	48,252,042	1,036,887,217
September	18,236,078	1,465,757,919	26,250	17,802,750	52,568,061	44,289,209	1,527,849,877
3rd Quarter	53,018,501	4,049,204,212	140,320	85,159,033	163,223,382	140,954,838	4,275,318,083
October	24,185,619	2,134,731,767	46,004	30,468,406	51,630,078	49,152,147	2,214,352,319
November	15,628,257	1,472,098,255	70,292	55,109,105	50,012,690	48,198,825	1,575,406,184
December	17,693,670	1,638,885,061	72,298	57,622,713	54,743,820	53,745,258	1,750,253,032
4th Quarter	57,507,547	5,245,715,082	188,594	143,200,224	156,386,588	151,096,229	5,540,011,536
Total	202,461,413	15,229,031,050	543,151	336,788,162	618,846,253	539,866,752	16,105,685,964

Source: Export Crude Sales Profile.

Table 8c							
Export Crude Sales Volume and Value (Sales Receivable) for 2008							
	Export Crude Sales		Gas Sales		Feed Stock Sales		Total Sales Value
Month	Volume	Value	Volume	Value	Volume	Value	
	bbls	US\$	MT	US\$	MMBTU	US\$	US\$
January	15,712,257	1,451,593,581	29,638	22,074,349	55,883,015	58,948,773	1,532,616,704
February	18,084,287	1,819,588,961	44,822	32,481,968	52,151,968	57,326,826	1,909,397,755
March	15,007,241	1,572,560,923	73,466	57,276,275	53,379,054	61,203,292	1,691,040,490
1st Quarter	48,803,785	4,843,743,466	147,926	111,832,592	161,414,036	177,478,891	5,133,054,950
April	9,442,004	1,065,582,946	-	-	52,211,599	66,388,420	1,131,971,366
May	15,941,919	2,022,176,335	96,030	84,138,973	55,134,725	67,659,472	2,173,974,780
June	15,786,852	2,181,908,589	70,849	63,525,862	57,271,609	67,182,756	2,312,617,207
2nd Quarter	41,170,775	5,269,667,870	166,879	147,664,835	164,617,933	201,230,648	5,618,563,353
July	12,519,338	1,703,526,603	74,694	68,433,011	58,729,868	82,829,445	1,854,789,058
August	13,623,506	1,555,895,154	72,111	58,145,074	54,349,835	70,032,137	1,684,072,365
September	11,260,447	1,144,440,159	46,006	31,951,235	53,065,294	68,266,586	1,244,657,980
3rd Quarter	37,403,290	4,403,861,916	192,811	158,529,320	166,144,997	221,128,167	4,783,519,404
October	8,987,976	695,482,590	51,414	25,817,809	57,204,686	67,634,898	788,935,296
November	15,819,563	867,992,240	80,912	22,768,732	52,362,324	52,000,368	942,761,340
December	14,364,207	635,717,122	43,448	12,150,212	31,370,799	33,282,785	681,150,120
4th Quarter	39,171,747	2,199,191,951	175,774	60,736,752	140,937,810	152,918,051	2,412,846,755
Total	166,549,597	16,716,465,204	683,390	478,763,500	633,114,777	752,755,758	17,947,984,461

Source: Export Crude Sales Profile.

We are yet to reconcile the Export crude volumes contained in the above tables to the volumes in the Physical Volumetric report.

2.2 DOMESTIC CRUDE

2.2.1 Objective

We carried out Domestic Crude Oil Sales and Receipts validation in the NNPC Crude Oil Marketing Department, Treasury and Finance and Accounts Department.

The objective of the validation exercise was to:

- Confirm volume of Domestic Crude Oil actually invoiced by COMD
- Confirm that Domestic Crude Oil supplied in the years under review were paid for and that proceeds were swept into the Federation Account

To enable us carry out the exercise, we requested and obtained the following documents for the three years under review (2006 to 2008).

1. Domestic Crude Lifting/Sales Profile from COMD.
2. Domestic Crude Oil template from COMD.
3. Schedule of Payment for Domestic Crude from Treasury Department.
4. Mandates to CBN for the transfer of money from NNPC Oil and Gas Naira Account from Finance and Accounts Department.
5. Statement of Account for CBN/NNPC Oil and Gas where lodgements for proceeds of Domestic Crude are made before transfer to Federation Account.

The validation work carried out covered the following:-

- a) Verified the volume and value of Domestic Crude in the template populated by COMD against that in the Lifting/Sales Profile in order to ensure that all expected payment were received and swept into the Federation Account.
- b) Confirmed that all payment as recorded in NNPC schedules were traced and agreed to CBN/NNPC Crude Oil and Gas Naira Account Statements.
- c) Verified and agreed NNPC mandate values with CBN/NNPC Crude Oil and Gas Naira Account Statements.
- d) Vouched the lifting profiles/ template values to the NNPC Treasury Department schedule of payment.
- e) Carried out casting analysis of most of the schedules received to ensure arithmetical accuracy.

2.2.2 Domestic Crude Pricing and Terms of Invoice Settlement

NNPC was supplied with Domestic Crude by the Government for the purpose of refining it and distributing the petroleum products derived there from for domestic consumption.

NNPC buys domestic crude at prevailing international market price and pays for it in naira at CBN rate at the time of settlement. NNPC is then expected to pay for the agreed Crude Oil lifted from proceeds realized from sale of petroleum products.

For the three years under review, the Federation granted NNPC a credit facility of 90 days as one of the terms of settlement. This facility was granted to enable NNPC collect the sales proceeds from its customers who have a 30-day credit facility, which is a normal global business practice, in the case of customers that buys the unutilized domestic crude and also to put on check the liquidity problem experienced by NNPC as a result of global increase in Crude Oil price.

NNPC receives payment for sale of its domestic crude in naira and dollar. Naira receipt are paid into designated banks by NNPC Customers and later transferred into NNPC/CBN Crude Oil and Gas (Naira) Account. Where NNPC receives dollar payment for domestic crude, it is paid into CBN/NNPC Oil and Gas (Dollar) Account from where it is monetized at CBN exchange rate and paid into CBN/NNPC Crude Oil and Gas (Naira) Account.

Other receipts for equity share of gas, ullage fees and junk sales proceeds from JV Operators are also paid into the CBN/NNPC Crude Oil and Gas (Naira) Account.

NNPC then issues mandate monthly to CBN to sweep the payments made to the CBN/NNPC Oil and Gas (Naira) Account to the Federation Account to pay for the cost of Domestic Crude allocated and lifted together with equity share of gas sales, ullage fees and junk sales proceeds paid into the account by JV Operators.

2.2.3 Domestic Crude Value Reconciliation

We obtained a schedule of Domestic Crude transaction from NNPC FAD and carried out the following:

- i) We extracted lodgements and payment from the CBN/NNPC Crude Oil and Gas Bank Statements and prepared a Control Account to ensure that all payment swept to the Federation Account have been extracted.
- ii) We compared our extract with NNPC Group Treasury summary of payment for Crude cost.

- iii) We traced the NNPC mandate on Crude payment to NNPC/CBN Crude Oil and Gas Bank Statement.
- iv) We compared payment swept to Federation Account obtained from our audit with NNPC Treasury payment for each month.
- v) Differences obtained were investigated and reconciliation statements prepared for each year.

On the basis of the above, we prepared control accounts and closing balances of debtors ascertained for each year. This is shown below:

Table 9a
Domestic Crude Value Reconciliation
Control Account for the year 2006

	N'000	N'000
Opening balance as at 1 st Jan 2006		654,824,554,000
Add:		
Cost of crude supplied to NNPC		<u>1,258,539,713,650</u>
		1,913,364,267,650
Less:		
Subsidy Deductions	(219,728,409,175)	
Total payment to federation account	<u>(1,037,564,330,984)</u>	<u>(1,257,292,740,159)</u>
Balance due to Federation Account as at 31 st December, 2006.		<u>656,071,527,491</u>

See Appendix C for monthly reconciliation Schedule.

The balance due to Federation Account as at 31 December, 2006 is analyzed below:

Statement of Outstanding Payments as at 31 December, 2006

	N	N
Outstanding Lifting		
January, 2005	66,386,676,000	
September, 2006	81,739,436,315	
October, 2006	79,908,985,717	
November, 2006	116,192,059,236	
December, 2006	<u>116,053,518,082</u>	460,280,675,349
Underpayment of Invoice Values		
September, 2004	297,000,000	
October, 2004	190,000,000	
February, 2005	20,000,000,000	
March, 2005	26,000,000,000	
April, 2005	20,000,000,000	
May, 2005	30,000,000,000	
June, 2005	30,000,000,000	
July, 2005	30,000,000,000	
September, 2005	27,000,000,000	
July, 2006	<u>10,748,105,578</u>	194,235,105,578
1999-2004 NEITI Audit Findings		
Net arrears arising from underpayments of Invoice values by FAD from 1999-2	866,012,000	
Amount in dispute with CBN:		
Shortfall in Jan. 2003 sweeping	80,000,000	
Shortfall in Nov. 2004 sweeping due to monetization	285,000,000	
Shortfall in Nov. 2004 mandate swept in 2005	<u>324,752,000</u>	1,555,764,000
Others		<u>(17,436)</u>
Amount owed to Federation		<u>656,071,527,491</u>

Table 9b
Domestic Crude Value Reconciliation
Control Account for the year 2007

	N'000	N'000
Opening balance as at 1 st Jan 2007		656,071,527,491
Add:		
Cost of crude supplied to NNPC		<u>1,431,175,962,781</u>
		2,087,247,490,273
Less:		
Subsidy Deductions	(236,641,070,019)	
Total payment to federation account	<u>(1,037,751,046,399)</u>	<u>(1,274,392,116,418)</u>
Balance due to Federation Account as at 31 st December, 2007.		<u>812,855,373,855</u>

The balance due to Federation Account as at 31 December, 2007 is analyzed below:

Statement of Outstanding Payments as at 31 December, 2007

	N	N
Outstanding Lifting		
January, 2005	66,386,676,000	
September, 2007	129,298,075,029	
October, 2007	130,003,715,863	
November, 2007	148,532,126,993	
December, 2007	<u>153,096,109,782</u>	627,316,703,666
Underpayment of Invoice Values		
September, 2004	297,000,000	
October, 2004	190,000,000	
February, 2005	20,000,000,000	
March, 2005	26,000,000,000	
April, 2005	20,000,000,000	
May, 2005	30,000,000,000	
June, 2005	30,000,000,000	
July, 2005	30,000,000,000	
September, 2005	27,000,000,000	
November, 2006	<u>1,441,935,623</u>	184,928,935,623
1999-2004 NEITI Audit Findings		
Amount in dispute with CBN:		
Shortfall in Nov. 2004 sweeping due to monetization	285,000,000	
Shortfall in Nov. 2004 mandate swept in 2005	<u>324,752,000</u>	609,752,000
Others		<u>(17,436)</u>
Amount owed to Federation		<u>812,855,373,855</u>

Table 9c
Domestic Crude Value Reconciliation
Control Account for the year 2008

	N'000	N'000
Opening balance as at 1 st Jan 2008		812,855,373,855
Add:		
Cost of crude supplied to NNPC		<u>1,809,451,644,572</u>
		2,622,307,018,427
Less:		
Subsidy Deductions	(360,184,606,410)	
Total payment to federation account	<u>(1,419,351,040,088)</u>	<u>(1,779,535,646,498)</u>
Balance due to Federation Account as at 31 st December, 2008.		<u>842,771,371,929</u>

The balance due to Federation Account as at 31 December, 2008 is analyzed below:

Statement of Outstanding Payments as at 31 December, 2008

	N	N
Outstanding Lifting		
January, 2005	66,386,676,000	
September, 2008	134,757,665,971	
October, 2008	106,830,481,095	
November, 2008	75,018,182,961	
December, 2008	<u>72,850,021,423</u>	455,843,027,450
Underpayment of Invoice Values		
September, 2004	297,000,000	
October, 2004	190,000,000	
February, 2005	20,000,000,000	
March, 2005	26,000,000,000	
April, 2005	20,000,000,000	
May, 2005	30,000,000,000	
June, 2005	30,000,000,000	
July, 2005	30,000,000,000	
September, 2005	27,000,000,000	
November, 2006	1,441,935,623	
July, 2008	85,389,674,291	
August, 2008	<u>116,000,000,000</u>	386,318,609,914
1999-2004 NEITI Audit Findings		
Amount in dispute with CBN:		
Shortfall in Nov. 2004 sweeping due to monetization	285,000,000	
Shortfall in Nov. 2004 mandate swept in 2005	<u>324,752,000</u>	609,752,000
Others		<u>(17,435)</u>
Amount owed to Federation		<u>842,771,371,929</u>

2.2.4 COMPONENT OF DOMESTIC CRUDE PAYMENT RECEIVED INTO FEDERATION ACCOUNT

Details of mandates given by NNPC to CBN for payment of Domestic Crude purchased and Gas and other income received on behalf of the Federation for the years under review is as summarized below:

Table 10a					
Summary of Mandate Request/Sweeping to Federation Account 2006					
Lifting Month	Transaction Month	Domestic Crude Receipts less Subsidy	Gas and Other Receipts	Total	Swept to Federation Account
		N	N	N	N
September	January	80,330,753,461	35,467,004	80,366,220,465	80,366,220,465
October	February	105,094,782,139	1,262,925,790	106,357,707,929	106,357,707,929
November	March	99,888,816,550	-	99,888,816,550	99,888,816,550
December	April	78,085,696,458	112,352,465	78,198,048,922	78,198,048,922
January	May	55,622,435,626	2,282,480,500	57,904,916,126	57,904,916,126
February	June	57,301,223,351	983,687,286	58,284,910,637	58,284,910,637
March	July	83,445,203,731	480,065,971	83,925,269,702	83,925,269,702
April	August	97,659,972,338	320,725,970	97,980,698,309	97,980,698,309
May	September	66,946,981,221	1,109,042,618	68,056,023,839	68,056,023,839
June	October	96,211,005,151	-	96,211,005,151	96,211,005,151
July	November	107,406,208,294	22,200,872	107,428,409,165	107,428,409,165
August	December	109,571,252,665	339,307,255	109,910,559,920	109,910,559,920
Total		1,037,564,330,984	6,948,255,731	1,044,512,586,715	1,044,512,586,715

Source: Oil and Gas Revenue (Naira) Receipts and Transfers Account

Table 10b					
Summary of Mandate Request/Sweeping to Federation Account 2007					
Lifting Month	Transaction Month	Domestic Crude Receipts less Subsidy	Gas and Other Receipts	Total	Swept to Federation Account
		N	N	N	N
September	January	79,927,581,587	2,220,551	79,929,802,138	79,929,802,138
October	February	71,590,117,744	162,053,736	71,752,171,480	71,752,171,480
November	March	102,750,123,613	80,578,141	102,830,701,754	102,830,701,754
December	April	95,790,720,114	210,501,395	96,001,221,509	96,001,221,509
January	May	50,606,586,303	898,975,267	51,505,561,569	51,505,561,569
February	June	77,993,671,335	240,687,490	78,234,358,825	78,234,358,825
March	July	88,558,168,511	16,464,043	88,574,632,553	88,574,632,553
April	August	103,133,578,571	117,927,519	103,251,506,089	103,251,506,089
May	September	83,635,534,498	1,110,614,618	84,746,149,116	84,746,149,116
June	October	80,016,738,740	142,774,935	80,159,513,675	80,159,513,675
July	November	87,275,632,602	572,193,688	87,847,826,290	87,847,826,290
August	December	116,472,592,782	87,053,182	116,559,645,964	116,559,645,964
Total		1,037,751,046,399	3,642,044,564	1,041,393,090,963	1,041,393,090,963

Source: Oil and Gas Revenue (Naira) Receipts and Transfers Account

Table 10c					
Summary of Mandate Request/Sweeping to Federation Account 2008					
Lifting Month	Transaction Month	Domestic Crude Receipts less Subsidy	Gas and Other Receipts	Total	Swept to Federation Account
		N	N	N	N
September	January	114,298,075,029	1,434,549,969	115,732,624,998	115,732,624,998
October	February	94,085,033,322	204,112,730	94,289,146,052	94,289,146,052
November	March	127,613,127,704	461,194,116	128,074,321,820	128,074,321,820
December	April	133,255,835,894	398,164,350	133,654,000,244	133,654,000,244
January	May	124,205,607,702	51,403,969	124,257,011,671	124,257,011,671
February	June	114,900,067,492	1,170,245,707	116,070,313,199	116,070,313,199
March	July	184,232,842,525	371,756,914	184,604,599,439	184,604,599,439
April	August	95,481,966,987	149,032,855	95,630,999,842	95,630,999,842
May	September	169,588,232,759	298,872,014	169,887,104,773	169,887,104,773
June	October	100,728,480,897	31,486,740	100,759,967,637	100,759,967,637
July	November	100,000,000,000	483,678,850	100,483,678,850	100,483,678,850
August	December	60,961,769,775	387,525,740	61,349,295,515	61,349,295,515
Total		1,419,351,040,087	5,442,023,952	1,424,793,064,039	1,424,793,064,039

Source: Oil and Gas Revenue (Naira) Receipts and Transfers Account

We prepared control accounts for the CBN/NNPC Crude Oil and Gas (Naira) Account and ascertained closing balances for each year. This is shown below:

Table 11														
Summary of Movement on NNPC/CBN Naira Account in 2006														
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL	
	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Opening Balance	1,783,748,239	8,987,172,329	2,607,499,367	2,096,664,422	2,289,659,484	5,054,175,329	8,089,204,692	476,576,704	1,378,004,250	68,585,460	487,549,221	354,307,255	1,783,748,239	
Add Receipt into the Account	87,569,644,555	99,978,034,966	99,377,981,605	78,391,043,984	60,669,431,970	61,319,940,000	76,312,641,713	98,882,125,854	66,746,605,049	96,629,968,912	107,295,167,200	109,775,213,585	1,042,947,799,396	
	89,353,392,795	108,965,207,296	101,985,480,972	80,487,708,406	62,959,091,455	66,374,115,329	84,401,846,406	99,358,702,559	68,124,609,299	96,698,554,372	107,782,716,421	110,129,520,841	1,044,731,547,636	
Less Sweeping to Federation A/c	(80,366,220,465)	(106,357,707,929)	(99,888,816,550)	(78,198,048,922)	(57,904,916,126)	(58,284,910,637)	(83,925,269,702)	(97,980,698,309)	(68,056,023,839)	(96,211,005,151)	(107,428,409,165)	(109,910,559,920)	(1,044,512,586,715)	
Closing Balance	8,987,172,329	2,607,499,367	2,096,664,422	2,289,659,484	5,054,175,329	8,089,204,692	476,576,704	1,378,004,250	68,585,460	487,549,221	354,307,255	218,960,920	218,960,920	
Summary of Movement on NNPC/CBN Naira Account in 2007														
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL	
	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Opening Balance	218,960,920	381,014,657	95,578,141	311,144,538	913,975,266	255,687,490	31,464,043	132,927,518	1,125,614,618	157,774,935	587,193,688	102,053,182	218,960,920	
Add Receipt into the Account	80,091,855,874	71,466,734,965	103,046,268,151	96,604,052,237	50,847,273,793	78,010,135,377	88,676,096,029	104,244,193,189	83,778,309,433	80,588,932,428	87,362,685,785	117,907,142,751	1,042,623,680,011	
	80,310,816,794	71,847,749,621	103,141,846,292	96,915,196,775	51,761,249,059	78,265,822,867	88,707,560,072	104,377,120,707	84,903,924,051	80,746,707,362	87,949,879,472	118,009,195,933	1,042,842,640,931	
Less Sweeping to Federation A/c	(79,929,802,138)	(71,752,171,480)	(102,830,701,754)	(96,001,221,509)	(51,505,561,569)	(78,234,358,825)	(88,574,632,553)	(103,251,506,089)	(84,746,149,116)	(80,159,513,674)	(87,847,826,291)	(116,559,645,964)	(1,041,393,090,963)	
Closing Balance	381,014,657	95,578,141	311,144,538	913,975,266	255,687,490	31,464,043	132,927,518	1,125,614,618	157,774,935	587,193,688	102,053,182	1,449,549,969	1,449,549,969	
Summary of Movement on NNPC/CBN Naira Account in 2008														
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL	
	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Opening Balance	1,449,549,969	219,112,729	476,194,116	413,164,350	66,403,969	1,460,383,397	661,894,605	439,170,546	589,009,705	321,624,431	773,716,439	677,563,329	1,449,549,969	
Add Receipt into the Account	114,502,187,759	94,546,227,439	128,011,292,055	133,307,239,862	125,650,991,100	115,271,824,407	184,381,875,380	95,780,839,001	169,619,719,499	101,212,059,646	100,387,525,739	61,806,554,420	1,424,478,336,305	
	115,951,737,727	94,765,340,168	128,487,486,170	133,720,404,213	125,717,395,068	116,732,207,804	185,043,769,985	96,220,009,547	170,208,729,204	101,533,684,076	101,161,242,178	62,484,117,749	1,425,927,886,274	
Less Sweeping to Federation A/c	(115,732,624,998)	(94,289,146,052)	(128,074,321,820)	(133,654,000,244)	(124,257,011,671)	(116,070,313,199)	(184,604,599,439)	(95,630,999,842)	(169,887,104,773)	(100,759,967,637)	(100,483,678,850)	(61,349,295,515)	(1,424,793,064,040)	
Closing Balance	219,112,729	476,194,116	413,164,350	66,403,969	1,460,383,397	661,894,605	439,170,546	589,009,705	321,624,431	773,716,439	677,563,329	1,134,822,234	1,134,822,234	
The closing balances at the end of each year were agreed to the CBN bank statements.														

2.2.5 DOMESTIC CRUDE SALES ANALYSYS

Domestic Crude purchased and sold by NNPC for the three years under review are as follows:

Table 12a		
Domestic Crude Sales Analysisfor 2006		
Month	Volume bbls	Sales Value N
January	9,663,971	597,294,798
February	11,798,307	699,186,197
March	14,410,419	895,447,175
April	14,537,202	997,618,609
May	10,938,091	761,088,476
June	13,496,246	930,451,225
July	13,460,641	996,680,016
August	13,729,552	950,845,565
September	10,750,428	733,899,673
October	10,991,184	634,147,970
November	15,662,973	911,323,894
December	15,628,939	920,986,573
Total	155,067,953	10,028,970,171

Source: Crude Oil Lifting Profile.

Table 12b		
Domestic Crude Sales Analysisfor 2007		
Month	Volume bbls	Sales Value N
January	10,822,797	587,254,468
February	11,789,150	682,597,804
March	13,848,020	874,990,443
April	15,552,970	1,043,265,937
May	12,844,705	889,312,357
June	8,610,868	639,111,332
July	15,282,038	1,168,922,725
August	14,849,656	1,053,225,427
September	13,190,085	1,044,832,930
October	12,612,645	1,053,328,479
November	13,671,366	1,267,236,905
December	14,237,592	1,320,249,308
Total	157,311,892	11,624,328,115

Source: Crude Oil Lifting Profile.

Table 12c		
Domestic Crude Sales Analysis for 2008		
Month	Volume bbls	Sales Value N
January	14,278,755	1,303,483,152
February	12,802,818	1,226,520,430
March	18,174,893	1,894,020,238
April	11,124,206	1,218,149,341
May	15,933,992	2,001,281,962
June	8,572,976	1,147,673,851
July	15,557,770	1,974,579,551
August	13,844,017	1,531,076,049
September	12,702,454	1,166,228,178
October	14,879,908	924,538,997
November	12,841,070	649,121,099
December	14,010,737	562,430,800
Total	164,723,596	15,599,103,648

Source: Crude Oil Lifting Profile.

Note: For the years under review Domestic Crude payments were at international market price.

2.2.6 Analysis of Domestic Crude Volumes

We carried out an analysis of the volume of domestic crude supplied to NNPC as contained in the lifting profiles, bill of lading etc. The details are set out below:

Table 13a			
Analysis of Domestic Crude Volumes 2006			
Quarter	Export bbl	Refineries bbl	Total bbl
1st	27,016,116	8,856,581	35,872,697
2nd	25,401,031	13,570,508	38,971,539
3rd	26,580,641	11,359,980	37,940,621
4th	34,194,235	8,088,861	42,283,096
Total	113,192,023	41,875,930	155,067,953

Table 13b			
Analysis of Domestic Crude Volumes 2007			
Quarter	Export	Refineries	Total
	bbl	bbl	bbl
1st	29,290,985	7,168,982	36,459,967
2nd	34,194,598	2,813,945	37,008,543
3rd	39,892,276	3,429,503	43,321,779
4th	35,550,844	4,970,759	40,521,603
Total	138,928,703	18,383,189	157,311,892

Source: Crude Oil Lifting Profile.

Table 13c			
Analysis of Domestic Crude Volumes 2008			
Quarter	Export	Refineries	Total
	bbl	bbl	bbl
1st	34,640,090	10,616,376	45,256,466
2nd	23,483,344	12,147,830	35,631,174
3rd	30,388,672	11,715,569	42,104,241
4th	34,891,456	6,840,259	41,731,715
Total	123,403,562	41,320,034	164,723,596

Source: Crude Oil Lifting Profile.

The Domestic Crude Volumes (both export and that sent to the refineries) stated in the above tables have not been compared to and reconciled with the Physical Audit volumetric. As soon as the volumetric data is received from the Physical Audit team, a detailed reconciliation of the volumes will be carried out.

3.0 OBSERVATIONS

3.1 Non payment for domestic crude allocations on the due dates by NNPC

Based on our review of the sales profiles and documentation for the years ended 31 December 2006, 2007 and 2008, and our discussions with COMD and NNPC staff; NNPC is expected to pay the Federation for domestic crude oil allocation not later than 90 days from the bill of lading date. However, actual payments to the Federation Account were usually made weeks after the due dates and in most times four (4) weeks in arrears.

We are of the opinion that the Federation may be losing the time value of money for the amounts not remitted on due dates in respect of payments for domestic crude allocations.

Recommendation: The Federation should start calculating interest, using the prevailing market rates, on amounts due but not paid by NNPC. This action will prompt NNPC to be paying their debts as at when due. Also NNPC Corporate Headquarters should put in place adequate measures and systems to ensure that payments for domestic crude oil allocation are made on due dates.

3.2 Exchange rates used in converting US\$ revenue to the Naira equivalent swept (paid) to the Federation Account for domestic crude allocations.

Domestic crude allocations are sold to NNPC at international market prices in US\$ by COMD. NNPC is however, expected to pay to the Federation Account for these allocations, the equivalent Naira value of the US\$ prices based on the principle that the refined products as a result of domestic allocations are sold in Naira in the Nigerian local markets. In determining amounts to be paid for domestic sales by NNPC, NNPC converts the US\$ invoice values to Naira.

Our review revealed that NNPC uses exchange rates which in most instances are lower than CBN advised rates on the month of transaction as shown on CBN website to convert the US\$ values to Naira. We could not trace the exchange rates used by NNPC to any of the published CBN exchange rates.

Recommendation: NNPC should apply the CBN exchange rates in invoicing domestic crude allocations.

3.3 Deduction of subsidy from domestic crude revenue

Amounts payable by NNPC to the Federation Account with respect to domestic crude allocations were paid less subsidy claims during years 2006, 2007 and 2008. Total amount deducted as subsidy claims during the three (3) years were NGN219.7 billion, NGN236.4 billion and NGN360.2 billion for 2006, 2007 and 2008 respectively. We are yet to be provided with any enabling act or documentation authorizing the deduction of such subsidy claims from amounts payable to the Federation Account for domestic crude allocations.

Recommendation: We were not presented with any authority by NNPC for the deduction of subsidy from crude sales proceeds and therefore we recommend that adequate measures should be put in place by the Federation to restrict any un-authorized deductions from crude oil proceeds.

3.4 **Untimely sweeping/ remittance of proceeds into the Federation Account**

While proceeds from export crude sales are paid regularly on the due dates into the JP Morgan CBN/NNPC crude oil and gas revenue account, sweeping of same into the Federation account is done once per month based on Mandates raised by NNPC instructing the bank to sweep. With this practice, some of the proceeds may remain in JP Morgan CBN/NNPC account for close to a month before being swept into the Federation account. Besides, the sweeping leaves a very high balance in the JP Morgan account.

Recommendation: There is the need for NNPC to increase the frequency of sweeping the proceeds into the Federation account so as to avail the Federation of funds on a timelier basis.

3.5 **Price discrimination in crude oil**

Based on our comparison on a sample of invoices and shipping documents with respect to export crude oil and domestic crude oil sold to external off-takers (export sales) with same bill of lading date, we noted that prices at which crude oil was sold to NNPC by COMD for domestic allocations were consistently lower than prices at which crude oil was sold to external off takers.

Recommendation: COMD should ensure that it gets the best pricing in USD for domestic crude sales to NNPC for the Federation and not use its dual role of agent and customer to its advantage.

3.6 **Domestic crude sales debts**

Based on our review of balances due from NNPC to the Federation in respect of domestic crude sales for the years ended 2006, 2007 and 2008, we noted that the sum of NGN842, 771,371,929 remained unpaid as at 31 December 2008. The balance comprised NGN389,456,351,450 relating to domestic crude sales from September 2008 to December 2008, NGN201,389,674,291 in respect of deductions from domestic crude proceeds in July and August 2008 (see Table 9c for details) and NGN251,925,346,1883 million in respect of various domestic crude sales underpayments.

We recognise the fact that the balance of NGN389, 456,351,450 was due to credit period granted for payment but we were not provided with an authoritative explanations for the other unpaid amounts irrespective of the fact that a significant portion of the balance has been outstanding for more than 24 months.

Furthermore, generally there are invoices that have remained outstanding unsettled for an unduly long time.

Recommendations: The terms for domestic crude oil allocation to NNPC should clearly state the implications of non-payment and untimely payments for domestic crude sales by NNPC.

Also the Federation should make efforts to collect the amounts due but not yet paid from NNPC.

3.7 Differences between invoiced prices to third parties and amount payable to the Federation with respect to domestic crude sold to external off-takers

Based on our review of sampled invoices and shipping documents with respect to domestic crude oil sales, we noted that prices per barrel achieved by NNPC from the sale of its allocated domestic crude to external off-takers are consistently higher than the prices and value payable to the Federation on the same lifting. We were informed by NNPC management that these differences arose as a result of differences in price options adopted by NNPC in obtaining domestic crude allocation from COMD and the price options achieved from their external off-takers.

Recommendations: If NNPC is to pay Federation based on the invoice price, it then means that the Federation is losing so much money in this present mode of payment by NNPC. The terms for domestic crude oil allocation to, sales and remittances by NNPC should clearly be stated by the Federation.

Also COMD should ensure that it gets the best pricing in USD for domestic crude sales to NNPC.

APPENDIX A						
MONTHLY ANALYSIS OF CRUDE VOLUMES AND VALUES 2006						
	FGN Crude		Domestic Crude		Total	
MONTHS	bbl	\$	bbl	\$	bbl	\$
JANUARY	28,024,471	1,778,933,137	9,663,971	597,294,798	37,688,442	2,376,227,936
FEBRUARY	17,034,609	1,026,373,601	11,798,307	699,186,197	28,832,916	1,725,559,798
MARCH	20,059,469	1,246,901,594	14,410,419	895,447,175	34,469,888	2,142,348,768
APRIL	18,100,622	1,309,191,588	14,537,202	997,618,609	32,637,824	2,306,810,197
MAY	18,015,686	1,262,553,385	10,938,091	761,088,476	28,953,777	2,023,641,862
JUNE	13,918,113	971,655,053	13,496,246	930,451,225	27,414,359	1,902,106,278
JULY	22,125,950	1,643,686,783	13,460,641	996,680,016	35,586,591	2,640,366,799
AUGUST	18,527,592	1,290,704,101	13,729,552	950,845,565	32,257,144	2,241,549,666
SEPTEMBER	15,779,237	998,907,471	10,750,428	733,899,673	26,529,665	1,732,807,144
OCTOBER	23,031,529	1,346,721,919	10,991,184	634,147,970	34,022,713	1,980,869,889
NOVEMBER	18,690,158	1,127,394,726	15,662,973	911,323,894	34,353,131	2,038,718,620
DECEMBER	16,582,730	979,774,281	15,628,939	920,986,573	32,211,669	1,900,760,854
TOTAL	229,890,166	14,982,797,640	155,067,953	10,028,970,171	384,958,119	25,011,767,812
MONTHLY ANALYSIS OF CRUDE VOLUMES AND VALUES 2007						
	FGN Crude		Domestic Crude		Total	
MONTHS	bbl	\$	bbl	\$	bbl	\$
JANUARY	17,282,793	941,889,872	10,822,797	587,254,468	28,105,590	1,529,144,341
FEBRUARY	17,195,418	1,006,006,500	11,789,150	682,597,804	28,984,568	1,688,604,304
MARCH	12,874,884	826,547,863	13,848,020	874,990,443	26,722,904	1,701,538,306
APRIL	13,147,210	901,943,063	15,552,970	1,043,265,937	28,700,180	1,945,209,000
MAY	15,510,166	1,068,400,421	12,844,705	889,312,357	28,354,871	1,957,712,778
JUNE	15,924,893	1,189,324,037	8,610,868	639,111,332	24,535,761	1,828,435,368
JULY	21,327,912	1,620,819,365	15,282,038	1,168,922,725	36,609,950	2,789,742,090
AUGUST	13,454,511	962,626,928	14,849,656	1,053,225,427	28,304,167	2,015,852,356
SEPTEMBER	18,236,078	1,465,757,919	13,190,085	1,044,832,930	31,426,163	2,510,590,848
OCTOBER	24,185,619	2,134,731,767	12,612,645	1,053,328,479	36,798,264	3,188,060,246
NOVEMBER	15,628,257	1,472,098,255	13,671,366	1,267,236,905	29,299,623	2,739,335,159
DECEMBER	17,693,670	1,638,885,061	14,237,592	1,320,249,308	31,931,262	2,959,134,369
TOTAL	202,461,413	15,229,031,050	157,311,892	11,624,328,115	359,773,305	26,853,359,165
MONTHLY ANALYSIS OF CRUDE VOLUMES AND VALUES 2008						
	FGN Crude		Domestic Crude		Total	
MONTHS	bbl	\$	bbl	\$	bbl	\$
JANUARY	15,712,257	1,451,593,581	14,278,755	1,303,483,152	29,991,012	2,755,076,734
FEBRUARY	18,084,287	1,819,588,961	12,802,818	1,226,520,430	30,887,105	3,046,109,392
MARCH	15,007,241	1,572,560,923	18,174,893	1,894,020,238	33,182,134	3,466,581,161
APRIL	9,442,004	1,065,582,946	11,124,206	1,218,149,341	20,566,210	2,283,732,287
MAY	15,941,919	2,022,176,335	15,933,992	2,001,281,962	31,875,911	4,023,458,296
JUNE	15,786,852	2,181,908,589	8,572,976	1,147,673,851	24,359,828	3,329,582,440
JULY	12,519,338	1,703,526,603	15,557,770	1,974,579,551	28,077,108	3,678,106,154
AUGUST	13,623,506	1,555,895,154	13,844,017	1,531,076,049	27,467,523	3,086,971,203
SEPTEMBER	11,260,447	1,144,440,159	12,702,454	1,166,228,178	23,962,901	2,310,668,337
OCTOBER	8,987,976	695,482,590	14,879,908	924,538,997	23,867,884	1,620,021,586
NOVEMBER	15,819,563	867,992,240	12,841,070	649,121,099	28,660,633	1,517,113,339
DECEMBER	14,364,207	635,717,122	14,010,737	562,430,800	28,374,944	1,198,147,922
TOTAL	166,549,597	16,716,465,204	164,723,596	15,599,103,648	331,273,193	32,315,568,852

APPENDIX B								
Dollar Payments Received by CBN and Swept to Federation Account 2006								
Receipts						Distribution		
Month	Export Crude	Gas Sales/ Feedstock	Sub-Total	Other Income	Total	Federation Account	Cash Call Account	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
January	1,678,494,599	61,772,682	1,740,267,282	2,945,208	1,743,212,489	1,086,826,002	326,000,000	1,412,826,002
February	1,772,512,285	39,253,857	1,811,766,143	4,141,872	1,815,908,015	1,405,212,489	338,000,000	1,743,212,489
March	1,160,398,319	46,333,497	1,206,731,816	52,086,733	1,258,818,549	1,545,779,760	352,000,000	1,897,779,760
1st Quarter	4,611,405,204	147,360,036	4,758,765,240	59,173,814	4,817,939,054	4,037,818,251	1,016,000,000	5,053,818,251
April	1,136,066,947	46,560,044	1,182,626,991	18,610,716	1,201,237,708	778,002,600	351,000,000	1,129,002,600
May	1,372,373,986	43,635,475	1,416,009,461	27,013,210	1,443,022,671	990,151,912	351,000,000	1,341,151,912
June	1,233,490,123	61,345,355	1,294,835,478	170,002,202	1,464,837,680	1,031,389,109	351,000,000	1,382,389,109
2nd Quarter	3,741,931,056	151,540,875	3,893,471,931	215,626,129	4,109,098,059	2,799,543,621	1,053,000,000	3,852,543,621
July	993,144,975	70,484,948	1,063,629,923	87,841,679	1,151,471,602	1,114,108,118	351,000,000	1,465,108,118
August	1,668,651,938	60,640,856	1,729,292,793	92,667,301	1,821,960,094	814,720,297	351,000,000	1,165,720,297
September	1,139,586,932	52,249,462	1,191,836,393	72,717,287	1,264,553,680	1,453,061,798	351,000,000	1,804,061,798
3rd Quarter	3,801,383,845	183,375,265	3,984,759,110	253,226,266	4,237,985,376	3,381,890,213	1,053,000,000	4,434,890,213
October	912,145,020	116,047,755	1,028,192,775	72,895,797	1,101,088,572	947,605,757	351,000,000	1,298,605,757
November	1,390,890,784	51,275,402	1,442,166,186	94,852,804	1,537,018,990	806,652,546	351,000,000	1,157,652,546
December	1,184,822,596	75,143,627	1,259,966,223	28,728,570	1,288,694,793	1,063,116,240	351,000,000	1,414,116,240
4th Quarter	3,487,858,400	242,466,784	3,730,325,183	196,477,172	3,926,802,355	2,817,374,542	1,053,000,000	3,870,374,542
Total	15,642,578,504	724,742,960	16,367,321,464	724,503,380	17,091,824,844	13,036,626,627	4,175,000,000	17,211,626,627
Dollar Payments Received by CBN and Swept to Federation Account 2007								
Receipts						Distribution		
Month	Export Crude	Gas Sales/ Feedstock	Sub-Total	Other Income	Total	Federation Account	Cash Call Account	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
January	1,073,897,007	35,631,669	1,109,528,676	11,494,321	1,121,022,997	942,024,219	351,000,000	1,293,024,219
February	933,753,056	57,232,466	990,985,522	13,684,295	1,004,669,818	835,426,732	350,000,000	1,185,426,732
March	1,078,102,574	77,048,989	1,155,151,564	34,842,029	1,189,993,593	627,689,056	375,000,000	1,002,689,056
1st Quarter	3,085,752,638	169,913,125	3,255,665,762	60,020,645	3,315,686,407	2,405,140,007	1,076,000,000	3,481,140,007
April	650,204,174	45,892,906	696,097,080	12,615,485	708,712,565	735,068,413	375,000,000	1,110,068,413
May	973,367,549	-	973,367,549	4,055,872	977,423,420	526,611,169	375,000,000	901,611,169
June	1,088,625,170	128,665,100	1,217,290,270	10,857,741	1,228,148,011	538,162,590	375,000,000	913,162,590
2nd Quarter	2,712,196,893	174,558,006	2,886,754,899	27,529,097	2,914,283,996	1,799,842,172	1,125,000,000	2,924,842,172
July	1,235,501,047	69,388,924	1,304,889,971	44,844,306	1,349,734,276	762,844,218	375,000,000	1,137,844,218
August	1,688,975,260	41,385,682	1,730,360,942	4,964,887	1,735,325,829	989,018,766	375,000,000	1,364,018,766
September	860,886,408	96,665,629	957,552,037	4,034,571	961,586,608	1,373,623,153	375,000,000	1,748,623,153
3rd Quarter	3,785,362,715	207,440,235	3,992,802,950	53,843,763	4,046,646,713	3,125,486,137	1,125,000,000	4,250,486,137
October	1,864,044,700	44,289,209	1,908,333,909	89,015,386	1,997,349,295	536,929,511	375,000,000	911,929,511
November	1,758,364,137	49,152,147	1,807,516,284	3,285,857	1,810,802,141	1,232,216,780	375,000,000	1,607,216,780
December	1,640,912,453	141,654,926	1,782,567,379	5,251,373	1,787,818,753	1,954,870,654	375,000,000	2,329,870,654
4th Quarter	5,263,321,289	235,096,282	5,498,417,571	97,552,617	5,595,970,188	3,724,016,946	1,125,000,000	4,849,016,946
Total	14,846,633,535	787,007,647	15,633,641,182	238,946,123	15,872,587,305	11,054,485,261	4,451,000,000	15,505,485,261
Dollar Payments Received by CBN and Swept to Federation Account 2008								
Receipts						Distribution		
Month	Export Crude	Gas Sales/ Feedstock	Sub-Total	Other Income	Total	Federation Account	Cash Call Account	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
January	1,473,997,779	89,512,640	1,563,510,419	3,542,718	1,567,053,137	1,269,168,112	400,000,000	1,669,168,112
February	1,514,746,190	138,449,353	1,653,195,543	12,339,935	1,665,535,478	1,208,011,288	350,000,000	1,558,011,288
March	1,724,177,839	90,220,249	1,814,398,088	14,277,294	1,828,675,382	1,180,735,253	400,000,000	1,580,735,253
1st Quarter	4,712,921,808	318,182,242	5,031,104,050	30,159,947	5,061,263,997	3,657,914,653	1,150,000,000	4,807,914,653
April	1,598,166,362	61,203,292	1,659,369,654	1,821,178	1,661,190,832	1,605,999,027	375,000,000	1,980,999,027
May	1,107,693,190	97,344,393	1,205,037,583	2,314,963	1,207,352,546	1,068,700,407	525,000,000	1,593,700,407
June	2,108,857,310	87,539,858	2,196,397,168	1,447,349	2,197,844,517	792,319,551	415,000,000	1,207,319,551
2nd Quarter	4,814,716,863	246,087,543	5,060,804,405	5,583,489	5,066,387,895	3,467,018,985	1,315,000,000	4,782,018,985
July	1,943,407,765	124,898,316	2,068,306,081	1,478,667	2,069,784,748	1,782,844,517	415,000,000	2,197,844,517
August	1,781,575,751	102,715,015	1,884,290,766	25,090,330	1,909,381,096	1,654,784,748	415,000,000	2,069,784,748
September	1,716,017,299	175,852,541	1,891,869,840	17,177,324	1,909,047,164	1,494,381,096	415,000,000	1,909,381,096
3rd Quarter	5,441,000,815	403,465,872	5,844,466,687	43,746,321	5,888,213,008	4,932,010,361	1,245,000,000	6,177,010,361
October	1,093,136,732	94,980,349	1,188,117,080	919,467	1,189,036,547	1,387,441,478	415,000,000	1,802,441,478
November	635,319,520	101,361,326	736,680,846	501,515	737,182,361	880,642,233	415,000,000	1,295,642,233
December	979,099,016	60,093,567	1,039,192,583	12,263,382	1,051,455,965	365,699,190	415,000,000	780,699,190
4th Quarter	2,707,555,268	256,435,241	2,963,990,509	13,684,364	2,977,674,873	2,633,782,901	1,245,000,000	3,878,782,901
Total	17,676,194,754	1,224,170,898	18,900,365,652	93,174,121	18,993,539,773	14,690,726,900	4,955,000,000	19,645,726,900

														APPENDIX C	
Payments to the Federation Account for Domestic Crude and Determination of Outstanding Balance for 2006															
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL	
		N	N	N	N	N	N	N	N	N	N	N	N	N	
Opening Balance		654,824,554,000	650,947,534,742	620,744,820,744	616,348,767,777	657,255,471,877	676,843,492,484	705,028,015,382	717,375,536,801	710,249,087,555	695,946,769,059	658,524,991,737	659,843,567,548	654,824,554,000	
Add Crude Supplied to NNPC		76,453,734,203	89,146,240,141	113,274,067,583	126,952,007,385	96,041,754,810	117,330,763,038	125,621,589,002	119,825,558,139	81,739,436,315	79,908,985,717	116,192,059,236	116,053,518,082	1,258,539,713,650	
		731,278,288,203	740,093,774,883	734,018,888,327	743,300,775,162	753,297,226,687	794,174,255,522	830,649,604,384	837,201,094,940	791,988,523,869	775,855,754,775	774,717,050,973	775,897,085,630	1,913,364,267,650	
Less Payment to Federation A/c		(80,330,753,461)	(105,094,782,139)	(99,888,816,550)	(78,085,696,458)	(55,622,435,626)	(57,301,223,351)	(83,445,203,731)	(97,659,972,338)	(66,946,981,221)	(96,211,005,151)	(107,406,208,294)	(109,571,252,665)	(1,037,564,330,584)	
Less Subsidy Deductions		-	(14,254,172,000)	(17,781,304,000)	(7,959,606,828)	(20,831,298,577)	(31,845,016,790)	(29,828,863,852)	(29,292,035,047)	(29,094,773,589)	(21,119,757,887)	(7,467,275,131)	(10,254,305,474)	(219,728,409,175)	
Outstanding Payments		650,947,534,742	620,744,820,744	616,348,767,777	657,255,471,877	676,843,492,484	705,028,015,382	717,375,536,801	710,249,087,555	695,946,769,059	658,524,991,737	659,843,567,548	656,071,527,491	656,071,527,491	